

EUROPEAN NEWS

Tense summit
between French
union leaders

BY DAVID CURRY

PARIS, Jan. 11.

A TENSE summit meeting between the leaders of France's two biggest trades unions was taking place today to try to agree on a joint strategy for the pursuit of wage claims and a common attitude towards the political events leading up to and beyond the election.

The meeting between M. Georges Seguy, leader of the Communist-controlled (at central level) CGT, himself a Communist Central Committee member and M. Edmond Maire, head of the CFDT, is likely to be a test of the surface differences both of political preference and industrial strategy.

The CGT, which claims some 2.4m. members, is a partisan of "democratic centralism" and is vigorously promoting the Communist line against the Socialists. It has, nonetheless, showed a tendency recently to back down from industrial confrontation.

The CGT, rather than the CFDT whose links are with the Socialist Party, has refused to renew industrial action over a pay claim at the State-owned power utility EDF, and is thought to want a period of peace to sort out its internal troubles. These stem in part from the fact that some 40 per cent of its membership are Socialist voters. The CFDT has claimed that the strong Communist position taken by M. Seguy has caused a number of dissidents to cross the union lines.

The CFDT, with about 900,000 members, is a much less organised and disciplined body

Giscard
begins
Ivory
Coast visit

By Robert Mauthner

ABIDJAN, Jan. 11.

PRESIDENT Valéry Giscard d'Estaing, who arrived here today in Concorde for a five-day official visit, is expected to stress the growing role which Europe and, particularly France, can play in African affairs in his talks with President Félix Houphouët-Boigny of the Ivory Coast.

The long visit which the French President is paying to the Ivory Coast at a time when the French general election campaign is already underway, has provoked some surprise in France. Though no official explanation has been forthcoming, it is generally considered that the timing of the visit is not entirely fortuitous.

M. Giscard d'Estaing, who, in the early days of his presidency, was criticised by the Gaullists for neglecting France's traditional ties with Africa, is no doubt anxious to prove that he is as concerned about France's relations with its former colonies as were his predecessors.

Partly for domestic reasons and partly as a result of pressure from moderate West African leaders such as President Senghor of Senegal and Houphouët-Boigny, M. Giscard d'Estaing has bent over backwards during the past year to prove his critics wrong. France's military aid to Zaïre, when it was threatened last year by incursions into its southern province by Angolan-based rebels, and its recent military backing for Mauritania in its fight against the Polisario Western Sahara independence movement, have been the most obvious examples of France's new policy.

This policy is based on helping the governments of friendly African states to repulse threats originating from outside their frontiers and, particularly, to counter the growing Soviet and Cuban influence in Africa. Though they have been criticised in many quarters, there can be little doubt that the French initiatives have met with the approval of President Houphouët-Boigny.

The Ivory Coast President is in the vanguard of those African leaders who feel that former European colonial powers have a special role to play in preventing the African continent from going Communist or becoming the victim of super-power rivalry.

Of all France's former African colonies, the Ivory Coast is perhaps the one where French influence has remained strongest. France is still the country's biggest single client and supplier, and French officials, teachers and companies, to say nothing of a 400-strong French military contingent, continue to play a vital role in the country's affairs. Some 50,000 French nationals live and work here, compared with only about 12,000 at the time of independence, and French financial aid amounts to at least a third of total aid.

Soviet cosmonauts in pioneer space station link-up

MOSCOW, Jan. 11

TWO COSMONAUTS aboard Soyuz 27 linked their spacecraft with a Salyut 6 space station today and joined two other cosmonauts for an historic rendezvous in space.

It was the first time two spacecraft have docked simultaneously with an orbiting space station.

The official Tass news agency said the Soyuz 27 spacecraft, carrying Lt. Col. Vladimir Janibekov and civilian engineer Oleg Makarov, docked with Salyut 6 at about 2 pm (GMT).

The double docking opened a major Soviet effort to man

continuously the station orbiting more than 200 miles above the earth for as long as a year.

During the difficult link-up, the first pair of cosmonauts — Lt. Col. Yuri Romanenko and Engineer Georgy Grechko — remained in their Soyuz 26 spacecraft. When the docking was secured, all four cosmonauts left their spacecraft and met in the space station.

Moscow radio said Janibekov and Makarov will work aboard the orbiting laboratory for five days then will swap spacecrafts with the first crew and return to earth aboard Soyuz 26. UPI

David Satter adds: The Salyut 6 has two docking ports. The Soyuz 26 space ship, which was launched into orbit on December 10, docked at one of the Salyut 6 ports the following day, and Soyuz 27 has docked at the other. The mission could greatly expand the potential of the Salyut 6 programme which has been going on since 1971, making it possible to replace crews, to ferry extra specialists, to refuel and resupply, and even, if access is given, to rescue cosmonauts in distress.

Earlier Salyut models have only had one docking facility. The first attempt to link up with the Salyut 6 in October failed, and after Soyuz 26 linked up successfully in December, Grechko (46), wearing a new type of spacesuit, walked in space for 20 minutes to check the docking mechanism used today by Soyuz 27 and reported it in perfect condition.

Reuters adds: The final approach to the Salyut station would have been made less nerve-racking for the Soyuz 27

crew because their cosmonauts already aboard the station were believed to have been able to guide them.

Moscow Radio said Cosmonaut Romanenko and Grechko took up positions aboard their own Soyuz 26 craft for the crucial docking manoeuvre, high over central Asian Aral Sea, in case of any mishap.

Soyuz 27 lined up for the final approach from a distance of 240 yards and moved in at a speed of 8.2 yards per second until levelling off at 40 yards and nudging into the docking bay.

Brussels
refinery
cuts urged

By David Buchan

BRUSSELS, Jan. 11.

THE EEC Commission is to persevere in its efforts to persuade EEC Governments to agree to a cutback in the present oil refining capacity surplus in Europe.

This assurance was given by Energy Ministers twice last year, the Commission will produce a new report on the problem for the planned Energy Council meeting in March.

The decision was taken by the Commission's current investigating the activities of the Milan financier Sig. Michele Sindona, now living in New York where he is fighting extradition demands by the Italian authorities.

The Banco di Roma took over some of the affairs of Sig. Sindona including the Banca Privata Italiana after his financial empire collapsed in 1974.

Last November, Sig. Barone was arrested but released 24 hours later. The Milan magistrates investigating the "Sindona Affair" charged him with "reticence and concealment of evidence."

Later Sig. Barone, together with the Banco di Roma's other managing director, Sig. Giovanni Guidi, was suspended at his own request from the bank's Board pending the "Sindona" inquiries.

The charges against Sig. Barone involve the alleged concealment of a list of some 500 clients of Sig. Sindona's former Banca Privata Italiana, said to include leading political and financial figures.

The list of the former Sindona clients are also said to have been transferred to Switzerland and later "laundered" back into Italy.

The Milan magistrates have also been pressing the Swiss authorities to relax their bank secrecy rules in order to obtain information about numbered accounts of a Geneva bank formerly controlled by Sig. Sindona.

Meanwhile, the Board of Finance Minister in the last commonwealth government in 1968-70, will be formally appointed by the Federal President next week. He will replace President Hans Kloss, whose six-year-old term expires on January 31.

His appointment is a major political event since it deprives the main opposition party of its executive public speaker. Prof. Kloss, who began his political career only in 1967, has all along been a sharp critic of the Socialist Government's monetary and fiscal policies.

However he has long been an excellent personal terms with Chancellor Kreisky, who regards him as a man of personal integrity and outstanding ability.

The move has also been welcomed by the banking community which has been increasingly concerned about meddling in politics by Socialist directors of the central bank in view of his reputation. Prof. Kloss should be able to resurrect the bank's former key role in monetary policy.

Politically, the Socialist Party can only profit from Chancellor Kreisky's shrewd move. Party propaganda is bound to stress the appointment as a convincing proof that the Socialists, despite their absolute majority, refrain from abusing the power.

Former top Italy bank official
held over Sindona case evidence

BY PAUL BETTS

ROME, Jan. 11.

SIG. MARIO BARONE, the recently suspended joint managing director of the Banco di Roma, one of Italy's largest State-controlled banks, was arrested today on charges of "alleged continued concealment and suppression of private documents."

The decision was taken by the Milan magistrates currently investigating the activities of the Milan financier Sig. Michele Sindona, now living in New York where he is fighting extradition demands by the Italian authorities.

The Banco di Roma took over some of the affairs of Sig. Sindona including the Banca Privata Italiana after his financial empire collapsed in 1974.

Last November, Sig. Barone was arrested but released 24 hours later. The Milan magistrates investigating the "Sindona Affair" charged him with

bank, called to-day an extraordinary general meeting next month when the entire Board is expected to resign and a new Board be elected.

The decision is aimed at restoring credibility to the bank after a protracted scandal involving the alleged misdirection of funds which resulted in the resignation last year of Italcasse chairman Sig. Giuseppe Arcaini.

Dominick J. Coyle adds: Italian consumer prices in December rose by just half a per cent. This is the smallest increase for any month last year, and is a distinct improvement on the 1.5 per cent rise in consumer prices in November.

Consumer prices last month were just under 15 per cent higher than in the corresponding month in 1976, and provisional returns by ISTAT published here today show that the average rise for the whole of last year was 18 per cent over the mean for the previous year.

Irish group
contests
EEC levy

By Giles Merritt

DUBLIN, Jan. 11.

European parliamentarians of the 19-strong European Progressive Democrats (EPD) group decided in Dublin today to take the unusual step of contesting the legality of the EEC's levy on dairy produce.

The EPD, which represents a group including Ireland's ruling Fianna Fail Party, France's Gaullists and the Danish Progressive Party in the European Parliament, announced after a two-day meeting here that early next week its directorate will serve notice on the European Court of Justice in Luxembourg that it is to ask for a ruling on the joint-responsibility levy imposed last September on EEC dairy farmers.

The EPD will base its case on claims that the levy is discriminatory in that it aims to reduce the level of the EEC's butter and powdered milk surpluses, while intervening surpluses of wine, beef and wheat are not similarly treated. The EPD memorial will also cite fiscal irregularities and questions of accountability.

With the co-responsibility levy expected to raise £135m by the end of its first year, the EPD is to argue that the Council of Ministers cannot legally enforce the levy under the terms of the Treaty of Rome.

But while the idea of contesting the levy is popular enough with the Irish whose dairy farmers pay 0.5p on every gallon of milk delivered to the creameries — it was recognised in Dublin tonight that the move is largely a political gambit inspired by the Gaullists, who dominate the EPD grouping. With France's Gaullists invariably exact to make valuable sales with France's large agricultural vote.

Mr. Sunao Sonoda, the Japanese Foreign Minister, prepared to leave Moscow yesterday after a four-day visit, having failed to reach agreement with the Soviet Union on the text of a joint communique because of differences over a group of Soviet-occupied islands off Japan's northern coast, writes David Satter in Moscow.

Companies sceptical over
Algerian boycott effect

BY OUR OWN CORRESPONDENT

PARIS, Jan. 11.

FRENCH COMPANIES in the running for contracts in Algeria remain hopeful about their prospects, despite the virtual embargo the Algerian Government has ordered on new import contracts with France.

However, while admitting that poor political relations between Paris and Algiers are contributing strongly to the increased difficulty in selling to Algeria, they point out that the market has been in decline for most of them for some time.

Typical is the case of the Renault Industrial Vehicles subsidiary Savim Berliet. In 1975 they sold 10,000 heavy vehicles to Algeria in 1976 4,500, and last year fewer than 600.

One of the reasons is that ambitious investment plans were drawn up by Algeria, in common with other oil states, in the wake of the 1973-74 boom in oil prices, and the falling demand for crude forced a scaling down of plans and consequently of imports, in Algeria as elsewhere.

Nonetheless, important contracts are at stake. Berliet itself was responsible for the engineering supply of equipment and the training for the first stage of

the Poubia lorry plant, intended to build 4,500 vehicles a year. The output of this plant, of course, was partly responsible for the decline in imports. Berliet is in the running for the order to double the plant's capacity, while it still has an interest in sales of parts.

Its parent, Renault, has not written off hopes of landing the contract to supply a 100,000-unit-a-year car plant to Algeria, despite Fiat's claim that it has almost won the contract.

The Italians, in fact, with their growing purchases of Algerian energy, have made solid advances as suppliers of know-how and equipment to the Algerian petrochemical industry. However, in 1976 the French steel industry sold 51,000 tonnes of steel to Algeria. "It's not inconsiderable but neither is it enormous," commented a steel federation official philosophically.

Technip, front runner for the consultancy contract for the LNG East gas liquefaction plant at Skikda, is very guarded in its comments. It notes that some negotiations which are very advanced with French companies may be allowed to continue, and clearly hopes that the Skikda plant is a case in point.

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Name		Total cost of electricity £		Electric drive centrifugal capacity		
Title		What % of the above electrical cost is demand charges	%	Steam turbine centrifugal capacity		
Organisation		Total amount of natural gas used	cu. m. □ 100 cu. ft. □ therms □ 1,000 cu. ft. □	Absorption machine capacity		
Address		Total cost of natural gas £		Reciprocation machine capacity		
City		Total amount of fuel oil used	litres	kcal/hr □ cu. m/hr □ ton □ ton/hr □		
County		Total cost of fuel oil £		Interior Lighting		
Area Code	Telephone Number	Type of fuel oil		Total kW of installed lighting:		
		Total amount of purchased steam	cu. m.	Fluorescent	kw	
		Total cost of purchased steam £		Hours per week lighted space is fully occupied:		
		Total amount of purchased chilled water	cu. m. □ million btu □ ton/hr □	Fluorescent	hrs/wk	
		Total cost of purchased chilled water £		Hours per week lights are on:		
		Total cost of fuel or purchased energy for heating only		Fluorescent	hrs/wk	
		Is this an all-electric building? Yes □ No □		Incandescent	hrs/wk	
				Lights are on during unoccupied hours because of:		
				Janitors □ Overtime □ Both □ Other □		
Building Data		Space Conditioning Equipment and Schedules				
Building name		Double Deck or Multideck Systems	Reheat Systems	Single Zone Volume Cooling Systems	Variable Air Volume Systems	Perimeter Systems
Address		Total kw all air handling fans	kw	kw	kw	kw
City		Total cu. m./hr handled:	cu. m./hr	cu. m./hr	cu. m./hr	cu. m./hr
County		Minimum % of outside air:	%	%	%	%
Person in charge of physical plant		Total hours HVAC units run each week:	hrs	hrs	hrs	hrs
Gross floor area heated or cooled		Total hours per week spaces served are fully occupied:	hrs	hrs	hrs	hrs
Number of floors, including basement		Total cooling capacity for HVAC units having internal refig. compressors:	kw btu/hr tons	kw btu/hr tons	kw btu/hr tons	kw btu/hr tons
Type of building: Office □ Store □ College □ Apt. Hotel □ Church □ Industrial □ Hospital □ School □ Other □		Is building occupied on weekends? Yes □ No □		Number of holidays and/or shutdown days per year	days	
Energy History		Temp. normally maintained during cooling season	°C	Heating season daytime temp. (normal setting)	°C	
Year of energy history 19		Is the temperature set back at night during the heating season? Yes □ No □				
Number of months covered (maximum 12 months)						

*Do not include hours for seasonal maintenance overruns.

EUROPEAN NEWS

Kohl broadside opens provincial polls campaign

BY JONATHAN CARR

BONN, Jan. 11

THE WEST GERMAN Christian Democrat (CDU) opposition leader, Dr. Helmut Kohl, today fired the first rounds in the campaign for four important provincial elections this year. His attack on the ruling Social Democratic (SPD) government, as well as the standing of the Government, depends in no small measure on the outcome. At a news conference, Dr. Kohl hit out at the Government the State Parliament elections in three fronts. He said the SPD-Free Democrats (FDP) coalition had the local CDU leader, Herr Alfred Dreger, generally seen as on the winning side of the election. He said the CDU had a strong chance of winning the election, and that the SPD-FDP coalition was in a weak position. He also mentioned the CDU's strong support in the State of North Rhine-Westphalia, where it had won 46.6 per cent of the vote in the last election.

Main themes
He said terrorism and "economic stagnation" would be among the main themes in the election campaigns, adding that the CDU planned to play an active role in the battle just ahead. He had for the federal elections in October 1978. The CDU and its Bavarian sister party, the CSU, together gained 46.6 per cent of the vote—a result which elected credit to Dr. Kohl as the opposition candidate for the Chancellorship, but not enough to bring the two parties to power. Dr. Kohl's ebullient attack on the Government served to conceal the continuing differences between the CDU and parties, in particular between the CDU and the CSU leader, Herr Franz Josef Strauss. Herr Strauss said yesterday that he felt the question of who would be the union's Chancellor candidate for the federal elections in 1980 could not be excluded from discussion this stage, although some CDU leaders, while Dr. Kohl said today that the CDU would not involve itself in the matter until next year. More fundamentally, Dr. Kohl appears to believe that the FDP might still be tempted away from its alliance with the SPD. Herr Strauss evidently feels that only a policy of total opposition to the Government will bring the Union ultimate success. Both parties will be tested in the State Parliament elections in which some 18m. voters will be involved. In October in Hesse, the CDU had the local CDU leader, Herr Alfred Dreger, generally seen as on the winning side of the election. He said the CDU had a strong chance of winning the election, and that the SPD-FDP coalition was in a weak position. He also mentioned the CDU's strong support in the State of North Rhine-Westphalia, where it had won 46.6 per cent of the vote in the last election.

Swiss tourist industry wants Government help

BY JOHN WICKS

ZURICH, Jan. 11

THE Swiss tourist industry has national bank are very unlikely to be able to act on the demands, both the foreign-exchange support because exchange rates are currently well below what are seen as typical minimum rates. The Government has demanded by the Swiss to-day below Sw.Frs.190 and the Hotel Association from the mark under 94 centimes and the National Council since the sort of guarantee which could prove tantamount to a splitting of the Swiss franc in Switzerland by the authorities have repeatedly stated that they could not countenance this. In Swiss tourist circles themselves there seems no firm idea of how hotel-keepers could obtain the same sort of exchange rate guarantee as is provided to the manufacturing industry by the State. There is, however, considerable concern at the sharp rise in the authenticated tourist spending Swiss franc rate and in the fact that foreign travel agents are declining to enter into Swiss franc contracts.

Central bank talks 'constructive'

BY OUR OWN CORRESPONDENT

ZURICH, Jan. 11

LATEST round of central bank talks at the Bank of International Settlements (BIS) headquarters in Basle were "harmless and very constructive", according to Dr. Fritz Leutwiler, president of the Swiss National Bank. He categorically denied reports that the BIS talks had been a failure with regard to the currency situation. Dr. Leutwiler said, "Statements by the U.S. delegation in particular, showed that the U.S. like other countries, realised the gravity of the situation and was not prepared to let the matter drift." A further weakening of the dollar—such as took place on the Zurich foreign exchange market to-day—was irrational, he said. It was incompatible with the fact, established at the BIS and elsewhere, that the U.S. showed the most favourable economic development of any industrial country. This meant that the U.S. had the best short and long-term prospects, while the situation in hard-currency countries was deteriorating, primarily as a result of revaluation. Forecasts for the future development of these countries would have to be adjusted downwards, he said.

The Der Spiegel affair: How East Germans view the row

BY LESLIE COLT IN EAST BERLIN

BONN SEEKS TO AVOID A BREACH

VIEWING the evening news on East German television these days leaves the impression that the cold war has re-opened. A stern-looking woman-newscaster reads verbatim from an East German government news agency report. Ambassador Dr. Michael Kohl, head of the permanent representation of the DDR (East Germany) in the BRD (West Germany) today officially protested in the Federal Chancellery against the work of Der Spiegel magazine. He said the magazine was "slandering the DDR" and "slandering the German people". He also mentioned the magazine's "slandering the German people". He also mentioned the magazine's "slandering the German people". He also mentioned the magazine's "slandering the German people".

THE WEST German Government pledged yesterday it would not be deflected from efforts to improve relations with East Germany, despite closure by East Berlin authorities of the office there of Der Spiegel, writes Jonathan Carr in Bonn. The announcement came after a Cabinet meeting during which the Minister of State at the Chancellery, Herr Hans-Joergens Wischnewski, reported on his talks last night with East Berlin's representative in Bonn, Herr Michael Kohl. Herr Wischnewski protested strongly about the closure and urged that the decision be rescinded. Bonn feels the action, taken because Spiegel has been publishing a manifesto by an alleged East German dissident group, is against the understanding on reporting reached between the two States in 1972. At the same time, Herr Wischnewski underlined Bonn's continuing interest in avoiding a serious deterioration of ties with East Berlin. This means no retaliatory action against East German correspondents in West Germany and continuation of the series of talks improving contacts between the two sides. The Government feels there is nothing to be gained by cutting back contact with the East Germans. On the contrary, Bonn may be able to use some of the economic leverage available in its technical talks with East Berlin, to prise a more forthcoming attitude from the East Germans in other areas. This latest problem in East-West ties has come at a time when Bonn has made one advance elsewhere on the diplomatic front, and is seeking another. During his new year visit to Bucharest, Chancellor Helmut Schmidt was able to gain agreement that 11,000 ethnic Germans in Romania will be allowed to resettle in the Federal Republic each year. And to-day a delegation is off to Prague to attempt to revitalise Bonn's flagging relations with Czechoslovakia.

Suggestions that the entire manifesto may have been manufactured by the East German Ministry for State Security are not very plausible. East Germany had other ways of getting rid of Der Spiegel's correspondent in East Berlin without first exposing its people to a heavy dose of commentary from West German radio and television about an alleged opposition movement in the country. The manifesto in Der Spiegel has come as East Germany's leadership has been accusing the West German press of "poisoning" the atmosphere between East and West Germany. West German correspondents, reporting from East Germany to a vast and receptive audience inside the country, are a major headache to the East German leaders at any time and particularly now when the country is going through a trying economic period. East Germany has accused Der Spiegel and a West German correspondent in East Berlin of having links with the West German intelligence agency and has closed the bureau of Der Spiegel for "slandering" the DDR and its "leading personalities." One of the West German correspondents accused of espionage was Herr Dirk Sager, of West Germany's second television channel, has simply allowed East Germans to describe the reality of their lives in his programmes and greatly increased the impact on viewers, especially those inside East Germany. The blunt message from the East German leadership to the population is to stay clear of West German correspondents, one doesn't want to get in trouble. It also gains by bribery some of the auto-matically bestowed on higher Communist countries, though, East Germany's Prussian-style regime comes out as a moral paragon. As for opposition in East Germany, in spite of constant complaints about not being able to travel to the West and the high price of consumer goods, East Germans in favour of a re-united Germany are rarely encountered, even in the unlikely event that it would be blessed by the Soviets and the Western powers. Disparaging remarks about the Soviets are often heard because East Germans feel they are bearing the brunt of Moscow's increase of the price of raw materials.

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AMERICAN NEWS

U.S. jobless rate lowest since 1974-75 recession

BY JUREK MARTIN, U.S. EDITOR

THE U.S. unemployment rate fell sharply by 0.5 per cent. last month to 6.4 per cent., its lowest level since the start of the 1974-75 recession.

The decline in the jobless corresponded with another sizeable increase in total employment. In December 58 per cent. of the population were working, the highest figure ever.

Over the calendar year 1977, total employment increased by 4.1m., the biggest annual gain since World War II. In 1977, about 3m. people entered the labour force, thus bringing a net numerical decline in unemployment of 1.1m.

The December figures do bear out some of the more optimistic predictions earlier last year of the then new Carter Administration. In January last year unemployment dropped to 7.3 per cent. from 7.8 per cent. in December, 1976, prompting forecasts that by the end of the year the rate could well be below 6.5 per cent.

However, from the spring until last November, unemployment stuck stubbornly in the 7 per cent. range, in spite of the creation of a considerable number of new jobs.

A revision of the seasonal adjustment procedures issued by the Labour Department today shows that unemployment was actually somewhat, though not appreciably, lower than monthly, adjusted figures had

indicated. In November, for example, the Department now calculates that the rate was 6.7 per cent., 0.2 per cent. under the original estimate.

While the Administration can clearly take some satisfaction

in the U.S. economy grew at a real rate of about 4 per cent. annually in the final quarter of last year, according to rough estimates released by the Commerce Department, our U.S. Editor writes. In the course of Congressional testimony, the Department's chief economist, Mrs. Courtney Slater, noted that this represented a progressive quarterly decline from the 7.5 per cent. advance recorded in the first three months of 1977. However, she characterised the year as a whole as one of solid, well-balanced growth, with GNP having risen from fourth quarter 1976 to fourth quarter 1977 by about 5.2 per cent.

from the improvement in one of the country's most nagging problems. It is unlikely to get carried away with euphoria.

In both of the last two years, the winter months have produced sharp falls in unemployment, which subsequently petered out, although in both 1976 and 1977, as the recovery from the recession proceeded, employment rose appreciably.

WASHINGTON, Jan. 11.

It would be unwise, therefore, to assume that, on the evidence of one month's figures, the Administration may decide significantly to pare down its planned \$25bn. in stimulatory tax cuts—much as it dropped last spring its planned \$50 per person tax rebate when it appeared the economy was expanding vigorously under its own steam.

There are many other weighty factors at work—not the least the need to establish a consistent economic policy, the desirability of restoring the confidence of the business community—that would militate against any sudden change now in previously announced plans.

Moreover, in spite of the improvement in the unemployment picture last month, certain structural weaknesses remain very apparent. Although nearly all the demographic, occupational and industrial sectors showed reduced unemployment, some of the numbers are still high.

The unemployment rate for blacks, for example, though down by 1.5 per cent. in the month, stood at 12.5 per cent., that for black teenagers was even worse at 37.3 per cent. While down from November's 39 per cent., it was higher than the 34.8 per cent. of December, 1976, and the Department was obliged to note that "no downturn" was evident in the unemployment rate for black teenagers or women.

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Query on safety of Concorde

BY JOHN WYLES

NEW YORK, Jan. 11.

MANUFACTURERS of Concorde are facing the task of convincing the Federal Aviation Administration (FAA) that its hydraulic systems comply with U.S. safety regulations.

Although Concorde has satisfied most FAA standards, the agency has raised questions about the adequacy of the aircraft's hydraulics which will have to be settled before it can be certified.

Without a certificate of airworthiness, the aircraft cannot be used by a domestic U.S. airline. Its use by Air France, British Airways and any other foreign carrier would be unaffected.

At present, only one U.S. carrier, Braniff Airlines, has

announced any plans to use the aircraft. Braniff wants to lease it to operate on a New York-Dallas route.

It is understood that the FAA's reservations apply to the lack of back-up devices to compensate for any possible failures in the aircraft's hydraulic system. Any defect could result in a loss of control.

A spokesman for British Aerospace in Washington said today that the French, British and American aircraft certification authorities have been attempting to agree on a common set of safety standards but that the FAA tended to have a different approach to certain matters. In winning French and British certification the Concorde had

been through the most extensive test programme of any aircraft. "We are quite confident of the integrity of the aircraft, but we have to demonstrate to the FAA that there is a level of safety equivalent to its standards," the spokesman said.

The manufacturers are certain they can demonstrate the possibility of a hydraulic system failure is no more than one in a billion and that there is no real threat to the chances of U.S. certification. On December 30, the FAA has not suggested that the FAA has any reservations about the aircraft's safety.

But with the U.S. plainly unhappy, Mr. Fukuda is expected to present his country's case directly to Mr. Carter in an effort to diffuse protectionist sentiment in the U.S.

Fukuda seeks trade summit

By Our Own Correspondent

WASHINGTON, Jan. 11.

A U.S. decision on whether or not to accept Japanese Prime Minister Mr. Takeo Fukuda's summit proposal will almost certainly depend on the advice of Mr. Robert Strauss, the U.S. Special Trade Representative, at the conclusion of his negotiations with the Japanese in Tokyo this week.

It was announced in Tokyo today that Mr. Fukuda requested a summit meeting with President Carter a week ago.

It is acknowledged in Washington that the present policy towards Japan is fraught with some dangers. While the intent is to exert maximum pressure on the U.S. to accept the summit, it is a fine line which, if crossed, could result in an aggressive American approach proving to be counter-productive.

On his departure for Tokyo yesterday, Mr. Strauss said that some pains to take some of the potential heat out of the suggestion that Japan and the U.S. were embarked on a confrontation course in the economic and trade field.

More generally, the White House has been suggesting since President Carter's return from his foreign tour last week that what had been construed by some as a rather frenetic Presidential approach to foreign policy last year was to be avoided in 1978.

Specifically, the intention is for the President to receive fewer foreign Heads of State in Washington.

But such an approach would clearly allow for flexibility and could easily accommodate a meeting with a significant foreign leader such as Mr. Fukuda.

UPI adds from Tokyo: Chief Cabinet Secretary Mr. Shintaro Abe said Mr. Fukuda's request for a meeting with Mr. Carter was conveyed to the U.S. Government about a week ago by Mr. Fumihiko Togo, the Japanese Ambassador to the U.S.

Though Japan has made concessions to allow increased imports of U.S. farm products, Mr. Fukuda has been under pressure from his own farmers to give in to their demands.

But with the U.S. plainly unhappy, Mr. Fukuda is expected to present his country's case directly to Mr. Carter in an effort to diffuse protectionist sentiment in the U.S.

Major new anti-smoking campaign

WASHINGTON, Jan. 11.

HEALTH, Education and Welfare (HEW) Secretary Joseph Califano today announced a major new Government campaign to persuade Americans to stop smoking.

The announcement came on the 14th anniversary of the report by the U.S. Surgeon General which first gave widespread attention to the link between smoking and health problems such as cancer.

Research since the 1964 report has proven that smoking is even more dangerous than was originally believed, Mr. Califano said in a speech prepared for the National Longevity Council on Smoking and Health.

He accused the tobacco industry of spending "half a billion dollars a year trying to lure Americans into smoking."

The new programme involves public education, regulation of the shipment of \$250,000 worth of cigarettes, and a "strongest smoking policy in government" and outlined several smoking restrictions for HEW workers.

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OVERSEAS NEWS

Israel, Egypt military committee sessions open

BY ROGER MATTHEWS

CAIRO, Jan. 11.

THE JOINT Egyptian-Israeli military committee held its opening session here this evening with two issues dominating the agenda—the phased withdrawal of Israel from occupied Sinai, and the future of Jewish settlements on Egyptian land.

Mr. Ezer Weizmann, the Israeli Defence Minister, flew in at the head of his delegation early this morning and then went on almost immediately to Aswan in Upper Egypt where he had a 50-minute meeting with President Anwar Sadat. He was accompanied by General Gamasy, Egypt's War Minister, who will lead his delegation at the talks.

The Military Committee was formed following the Christmas talks between Mr. Sadat and Mr. Menachem Begin, the Israeli Premier. It was designed to hammer out the details of military arrangements in Sinai, and is supposed to complement the work of the political committee, which meets for the first time in Jerusalem next week.

Egypt asked for the date of the first military committee session to be advanced, following evidence that Israel was planning to extend its existing settlements in Sinai. Mr. Sadat has insisted that all Egyptian territory must be returned, and was angered by Mr. Begin's insistence that the settlements had to remain.

However, he also believes that moves to expand the settlements are a bargaining tactic and said last night that it was futile to be drawn into a public exchange of statements.

Mr. Sadat has been impressed by Mr. Weizmann during their three previous meetings, and their talks today were obviously aimed at dealing with the settle-

ments issue as quickly as possible, so that the military committee could concentrate on all the aspects of Israeli withdrawal from Sinai.

The Egyptian proposals are for withdrawal to be accomplished by stages in about 18 months while Israel is ordered to halt suggesting a period of at least five years.

Withdrawal would be accompanied by the establishment of demilitarised zones, a continued United Nations presence, sophisticated devices for monitoring movements in Sinai, and a range of international guarantees that will be asked for in the coming weeks.

Both sides went into the negotiations accompanied by detailed maps and a comprehensive set of proposals. Mr. Weiz-

mann said on arrival in Cairo that he had to be optimistic about the outcome of the talks, whereas General Gamasy said that he was neither optimistic nor pessimistic.

No statement was issued after the talks between President Sadat and Mr. Weizmann, which were also attended by Mr. Hosni Mubarak, the Egyptian Vice President, who had flown to Aswan accompanied by Mr. Hannan Elits, the U.S. ambassador.

The Egyptian team will also be using the military committee to try to assess what the prospects are for significant Israeli concessions in the more important political committee in which it is intended that the thorny issue of the Palestinians will be discussed.

Dead Sea canal project

BY L. DANIEL

JERUSALEM, Jan. 11.

PROF. YUVAL NETEMAN has been appointed by the Israeli Government to head a committee to study all aspects of the proposed Mediterranean-Dead Sea canal.

So far, two possibilities have been explored. The first is a canal from the Mediterranean somewhere near Ashdod, in central Israel, to cross the Judean Hills and end in the Dead Sea.

The second possibility would be a longer canal from the vicinity of Haifa, in northern Israel, which would link up with the Jordan River (which flows into the Dead Sea) just south of Beith Shean.

Both projects envisage the utilisation of height differentials for the generation of Hydro-electric power (100-200 MW) and the possibility of using the sea water for cooling an atomic power station not located on the shores of the Mediterranean.

Another purpose is to maintain the rapidly falling level of the Dead Sea which is being starved of water by the utilisation of the Jordan river by Israeli agricultural settlements and by the diversion of the Yarmuk (one of the main tributaries of the Jordan) on the Jordanian side.



Mr. Mohammed Gamasy (right), the Egyptian War Minister, greets Mr. Ezer Weizmann, the Israeli Defence Minister, prior to the joint military committee meeting.

Japan plans exchange rules probe

Prime Minister Takeshi Fukuda said yesterday the Japanese Government plans to consider a full scale revision of foreign exchange controls, to make freedom the rule and controls the exception, Reuters reported from Osaka.

Such a change will be symbolic of Japan's movement to an open-system economy, he said.

PM in Pakistan

Prime Minister James Callaghan arrived in Rawalpindi yesterday on the third leg of his 14-day tour of South Asia. He is scheduled to have two hours of talks today with General Muhammad Zia-ul-Haq, Pakistan's military leader.

S. Africa arms

South Africa has no intention of halting the manufacture of foreign weapons even if these licences are withdrawn, Commander Pieter Marais, chairman of the South African Arms Manufacturing Corporation, said yesterday. UPI reported from Cape Town.

Namibia talks

Mr. P. W. Botha, the South African Minister, said yesterday, could not attend planned New York talks on the future of Namibia if the five Western powers postponed them till the end of the month. Instead he invited the five, Britain, France, the U.S., West Germany and Canada, to come to South Africa for talks before then or send their promised "comprehensive proposals" to South Africa.

Students injured

Anti-riot troops used clubs to break up a student meeting at a university campus in East Java, injuring several students, a student spokesman said yesterday. Reuters reported from Jakarta.

The students were holding a meeting to mark the fall of the Government of late President Sukarno in 1967.

ON OTHER PAGES
International Company News:
Excellent year for Swiss steel 26/27
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Norway—Russia fish deal 33

Mrs. Gandhi—details of her defence

BY K. K. SHARMA

MRS. GANDHI'S defence statement—her first detailed defence of her decision to call for a state of emergency in Bihar, the attempt on the life of the Chief Justice, the call to forces of law and order to revolt, and the threat by leaders like Mr. Morarji Desai and Mr. J. B. Narayan to march in protest against her residence "to paralyse my functioning as Prime Minister."

As Prime Minister, Mrs. Gandhi said, her assessment was that all this would lead to the collapse of the Government, especially at a time of economic crisis.

"No government could view this with equanimity and certain hard decisions had to be taken," Mrs. Gandhi said. She pointed out that the Prime Minister had a special position, and every decision she had taken was "with the country's interests uppermost in mind."

Mrs. Gandhi clashed with Mr. Shubh when she referred to the Supreme Court's decision in 1972 to declare the assasina-

Vietnam, Thailand sign pacts

BY RICHARD NATIONS

BANGKOK, Jan. 11.

THE VIETNAMESE trade delegation in South-East Asia chalked up another score here today in its current diplomatic offensive with two bilateral agreements signed with the Thai covering civil aviation and "trade, economic and technical cooperation."

This is the third such trade agreement signed by the Vietnamese delegation, headed by Nguyen Duy Trinh, the Vietnamese Foreign Minister, in its current four-nation regional tour to Indonesia, Malaysia, the Philippines and Thailand. More over, the air agreement is viewed here as a solid step in reopening to world aviation the vital "Tambor One" corridor over Vietnam between Bangkok and Hong Kong, two of the busiest airports in Asia.

For the time being the trade agreement is likely to be more symbolic than real. The Vietnamese will need to import up to 1.8m. tons of rice this year from a world market where only Thailand and the U.S. are reliable long-term exporters. But bad weather has cut Thailand's 1978 projected exportable rice surplus to half of last year's, just enough to satisfy traditional customers.

The same may be said for cement and steel, two other items of Thai manufacture needed in Vietnamese reconstruction. Moreover, it is doubtful that Vietnam would have the foreign exchange to afford large imports from either Thailand or the other countries of the region, when supplies were abundant.

The symbolism of these agreements is largely political, but all the more significant for that reason. No less than six months ago the mystique of Vietnam's war machine combined with Hanoi's aloof and often hostile diplomacy generated disquiet and apprehension throughout

the non-socialist countries of South-East Asia, particularly Thailand.

Diplomats here comment that the trade agreements spring from the Trinh mission and the open hostilities between Vietnam and its Communist neighbour Cambodia have combined dramatically to reduce these anxieties. Thailand is now receiving special for aid from both Hanoi and Phnom Penh in place of the harsh propaganda blasts of recent months.

General Kriangsak Chammanand, the Thai Premier, also gains something from the agreements; they fit with his commitment to reduce tension with Communist Indo-China, as the main pledges of October's military coup that brought him to power. Observers here also feel that these agreements promise to enhance Vietnam's credit rating with Western aid donors and investors.

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Radio Phnom Penh has rebutted "Vietnam's monotonous" excuse of self-defence in an editorial claiming that "never in history has a small country provoked a big country and committed aggression against it."

Cambodia continues to publicise its charges of invasion by the Vietnamese while Hanoi has refused to admit that its "border operation" has actually intruded on Khmer territory.

Diplomatic moves as border war eases

BY OUR OWN CORRESPONDENT

BANGKOK, Jan. 11.

BOTH SIDES in the Cambodian-Vietnamese border war seem to be taking advantage of the current lull on the battlefield to shift the contest on to the diplomatic front.

The consensus of diplomatic opinion here is that the Vietnamese have achieved the first objective in a limited military operation by opening a corridor possibly the entire length of their common border and cutting all communications between the two countries.

Any drive by the Vietnamese to deepen this corridor would immediately transform the appearance of a limited border exercise to one of invasion, occupation and economic exploitation, few observers here think Phnom Penh's only real ally, Peking, would be prepared to tolerate.

Mr. Nguyen Duy Trinh, the Vietnamese Foreign Minister, is known to have put his case to the South-East Asian capitals during his current four-nation diplomatic tour.

The Vietnamese have also countered Cambodia's charges in the United Nations today with

their own allegations that up to two battalions of Cambodian troops held portions of Vietnamese territory until last Friday.

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Coal strike violence increases

BY STEWART FLEMING

NEW YORK, Jan. 11.

THE U.S. coal strike, which has made idle 160,000 members of the United Mine Workers (UMW) union, has moved into the sixth week amid reports of mounting violence in the coal fields.

Last week a retired miner was shot to death by a company guard at Prestonburg, Kentucky. Although the shooting was in part a reflection of a feud between the two men going back several years, it has served to inflame miners and to increase tension in the area.

Earlier in the week at Rockport, Indiana, 194 men identified by the Indiana police as striking miners were arrested after a dynamite and incendiary attack on a loading pier in the Ohio river handling non-union coal. The attack resulted in several hundred thousand dollars' worth of damage.

Bored and frustrated miners in the district of Charleston, West Virginia, one of the most militant union districts and one where the mines are solidly unionised, have been planning to send pickets to non-union mines in neighbouring Eastern Kentucky. Severe weather has so far halted the expeditions, according to local reports.

Tension in the mining districts, especially in Kentucky where the union probably represents less than a third of the miners, has been increased by the miners' growing bitterness at non-union coal production. UMW members produce less than half the nation's coal each year.

The strike began on December 6 and major industries relying on coal have shown little sign of having been disrupted. This is a result of the high stocks built up in preparation for the

strike and continued supplies from pits which are still operating.

Signs have also appeared of mounting distrust between local union leaders and the leadership at the headquarters in Washington. On December 30 the coal companies walked out of negotiations with the union when, under pressure from local leaders, the UMW backed away from a prospective agreement.

This agreement would have included financial penalties against miners who went on unofficial strike, a proposal which has increased mine leaders in the field.

Since then no negotiations have taken place between the two sides, although federal mediators have been attempting daily to bring the two sides together. The complete breakdown of discussions is causing concern for it is feared that the longer the dispute goes on the more entrenched the positions of the two sides will become.

Some observers suggest that the dispute is now entering a critical phase. Unless progress is made towards a settlement over the next week or ten days the miners may still be out on strike.

February 1, when pension payments to retired miners end because the pension fund will have run out of funds. About 81,000 retired miners have been drawing pensions of \$250 a month.

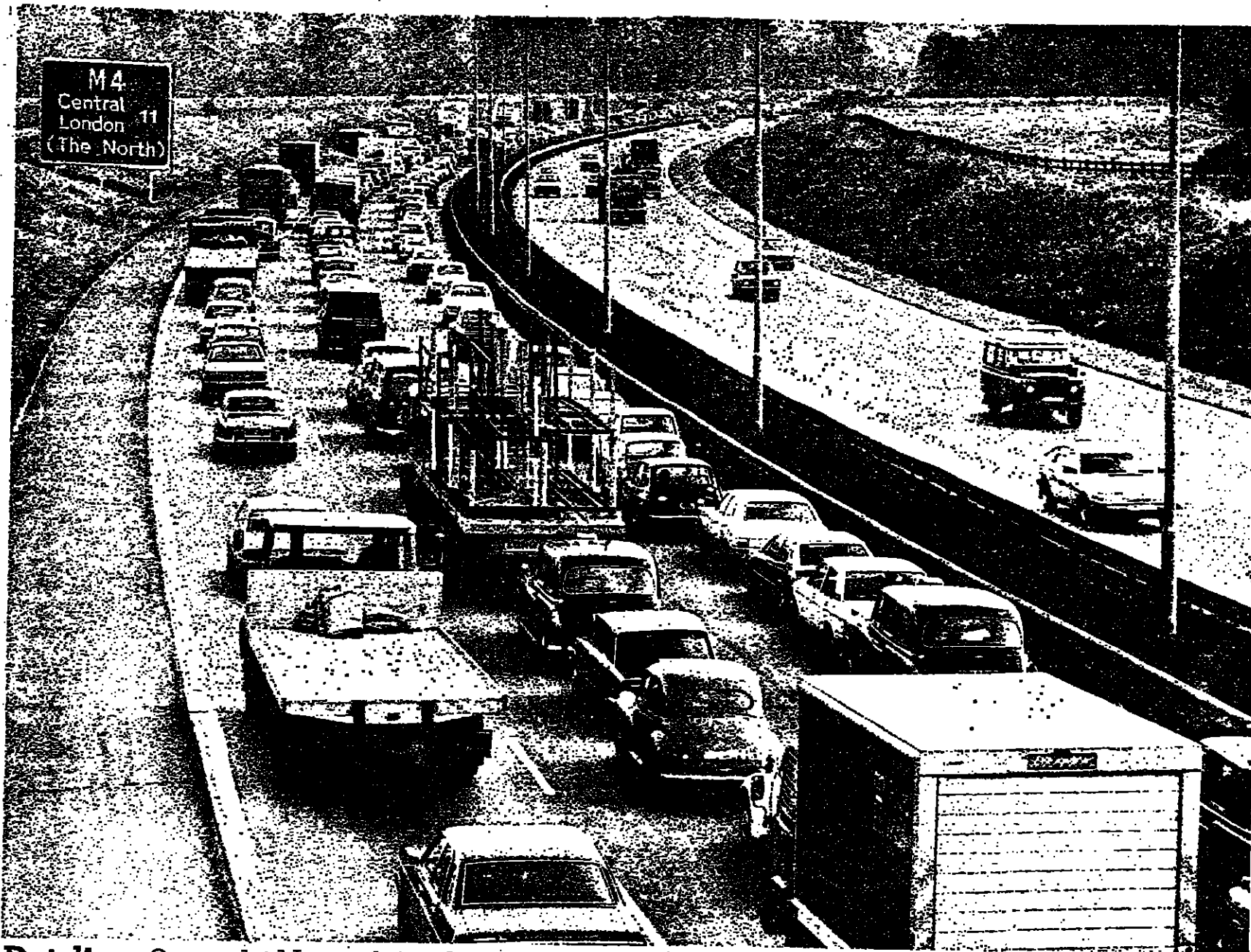
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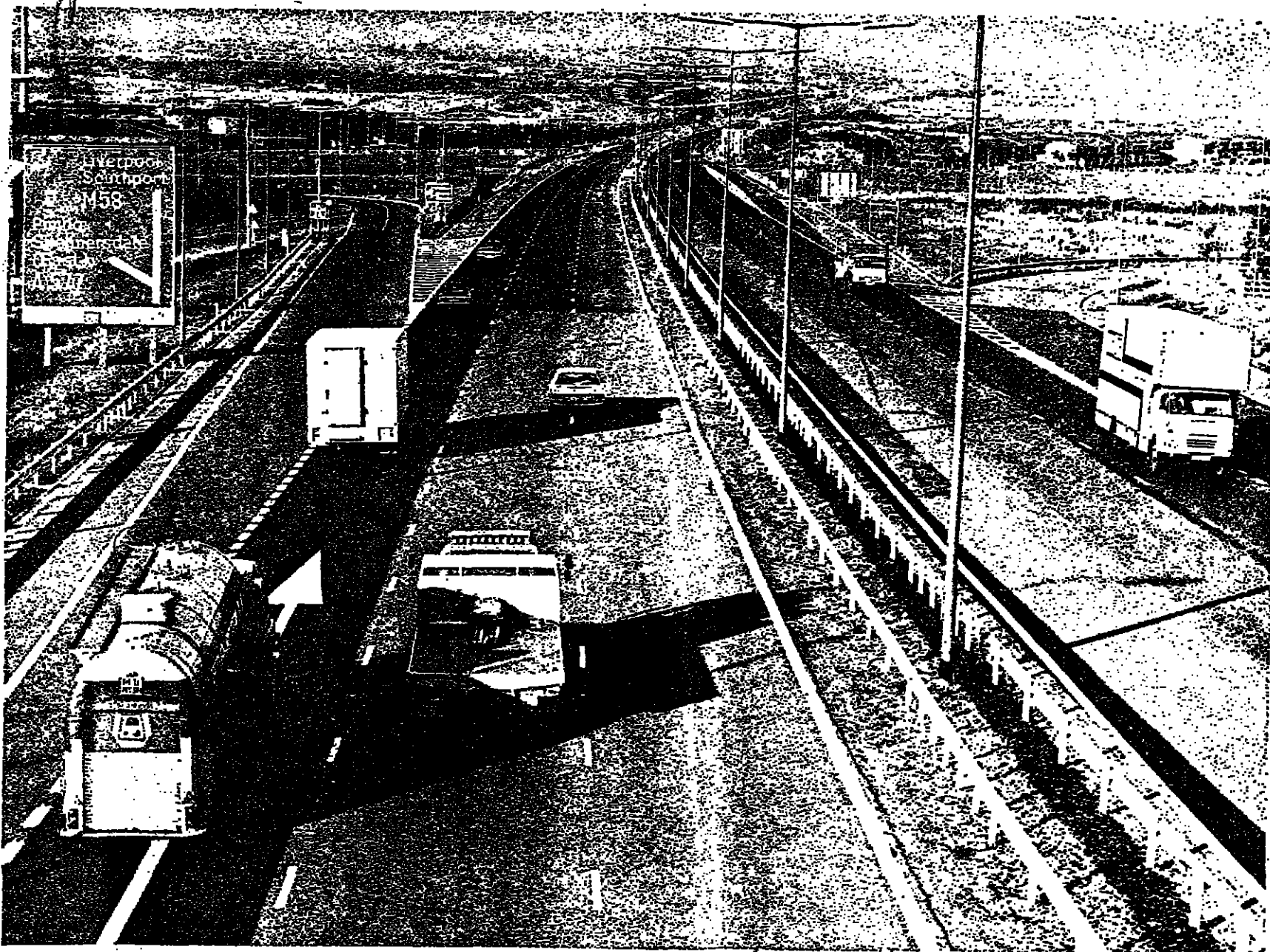
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Dateline: 9 a.m. 1st November 1977. M4 outskirts of London

Motorway madness



Dateline: 9 a.m. 1st November 1977. M58 Skelmersdale

Who would believe that so many people could spend so much time crawling on crowded motorways simply to spend the next seven hours in an overcrowded and highly polluted atmosphere? Especially when they could be enjoying life more and making

more profit in an area where the third lane is still the fast lane and the byways are still not the highways. Shouldn't you be finding out about a healthier approach to industrial life? M4 or M58 the choice is yours.



Skelmersdale New Town

The experienced one

Skelmersdale Development Corporation Pennylands, Skelmersdale Lancashire WN8 8AR
Telephone: Skelmersdale 24242 STD Code (0695) Telex: 628259

WORLD TRADE NEWS

Sanyo to make TV sets in Europe

TOKYO, Jan. 11. JAPAN'S Sanyo Electric Company said today it planned to establish a new company in Europe to manufacture colour television sets for the European market.

The company said negotiations were still in progress, and refused to give details of the probable location or production levels.

The measure was designed to cope with the yen's recent appreciation against the dollar, which made exports from Japan more expensive, and increased domestic wage and material costs, the company said.

Sanyo, which makes about 2m. sets a year in Japan, said the European move was also part of a programme to expand overseas production of colour televisions and electronic goods, such as audio systems to one-third of its overall output from 20 per cent.

Import promotion

TOKYO, Jan. 11. THE semi-official Japan External Trade Organisation (JETRO) announced plans to promote imports from industrialised countries and developing countries.

The plans include posting task forces probably in New York and London in fiscal 1978 to act as a market research consulting service. It will set up an office in Japan to brief foreign businessmen on Japanese trade policy.

Hitachi in Mexico

TOKYO, Jan. 11. Hitachi has agreed to set up a joint venture in Mexico to manufacture and sell large electric motors.

A new concern, Megatek SA, will be capitalised at ¥2bn. and be held 51 per cent. by the Group Industrial Alfa SA and 49 per cent. by Hitachi.

The company will employ about 250 workers and start production in December.

Airport to open

NARITA, Jan. 11. Seven years after initially scheduled, Japan's new international airport at Narita may soon open, officials say. With more than \$1bn. spent in construction costs, officials have set March 31, 1978, for the opening of the airport about 40 miles north-east of Tokyo.

U.K. strikes 'aid Japan's car sales'

BY DOUGLAS RAMSEY

JAPANESE car exporters sold over 20 per cent. more cars to Britain in 1977 and took a bigger share of the U.K. market than ever before, but they deny criticism in British motor industry circles that Japan's success in 1977 was achieved at the expense of a prior "understanding" that Japan would not sell many more cars in the U.K. than they had the year before.

On the contrary, the car makers put blame for their increased share on the strikes in the British car industry which "forced" British customers to turn to foreign suppliers, notably in August and September.

Officials of the Japan Automobile Manufacturers Association (JAMA) and Britain's Society of Motor Manufacturers and Traders (SMMT) agreed in a joint communiqué, coincidentally last September, that there would be "no possibility of any significant rise in the share of Japanese made cars in the U.K. this year."

In fact, Japanese models have taken 10.6 per cent. of new U.K. registrations in 1977, substantially higher than the 9.4 per cent. share recorded in 1976.

Japanese vehicle exports to Britain jumped by over 20 per cent. in 1977 although December export figures are not yet available. Between January and November, Japanese makers sent 159,774 vehicles (including trucks) to the U.K. That compares with a total of 134,800 cars

exported to Britain in 1976 and 122,800 in 1975.

Have the Japanese car companies, then, been guilty of duplicity in their talks with British industry and Government? The Japanese view, naturally, is not—for several reasons.

First, there is no official agreement voluntarily to curb car exports to Britain. "We have no agreement," according to one car company executive, and strictly speaking that is true. Neither the SMMT nor JAMA has wanted to write an orderly marketing agreement which might then expose both sides to anti-trust scrutiny in the EEC as well as the U.S.

Instead, both sides agreed in 1976 to "forecast" the level of Japanese exports to the U.K. British officials feel that this forecast amounted to an understanding not to greatly boost Japan's share of the U.K. market. This was largely the case in 1976, and the SMMT was expected to repeat the forecast in 1977 since Japanese makers agreed (repeatedly) to forecast that no significant rise would take place.

Second, Japan has never talked of limiting its car sales in the U.K. to 10 per cent. of the market. British officials have come away from talks with JAMA with the notion that in 1977 Japanese exporters would actively keep sales from pushing Japanese model registrations beyond the 10 per cent. mark.

According to one official at JAMA, makers of Datsun cars (largest Japanese seller in Britain), the figure 10 per cent. was at no point discussed either formally or informally with the Japanese side.

Third, Japanese car makers blame strikes in Britain for the higher share of registrations in 1977. They insist that during most of 1977 their penetration of the U.K. market remained at or below the 1976 levels.

They point out that between January and July, the average monthly share of U.K. registrations taken by Japanese models was 9.4 per cent. just as it had been the year before.

After a high level of registrations in August (14.2 per cent.), September (14.6 per cent.) and October (11.4 per cent.), they say, Japan's share fell back to 9.3 per cent. in November.

Moreover, Japanese exporters see no reason to apologise for the higher level of sales in August and September because they were induced by the non-availability of domestically-produced passenger cars during a wave of strikes which hit the British car industry and inflated demand for foreign cars.

"We don't like to blame the strikes," says one Japanese official, "but we had to satisfy our customers."

Fourth, prices of Japanese cars have been raised several times in the U.K. market since the

TOKYO, Jan. 11.

Jen's appreciation on international currency markets began in early 1977. These price increases, according to industry sources, have begun to hurt sales of Japanese cars in Britain.

While the Japanese arguments are at times persuasive, the reasoning is sometimes specious. In particular, although no agreement has been signed or sealed between JAMA and SMMT, the British side has come away from several meetings assured (perhaps wrongly) of the Japanese car makers' goodwill.

If in securing close to an 11 per cent. share of U.K. registrations the Japanese lose the trust of the SMMT, it might well signal more open protection on the part of the British Government to stem imports at the SMMT's urging.

Any protective action by London would, in fact, be a poor alternative to the more flexible arrangement arrived at between the SMMT and JAMA. Above all, the understandings in 1976 and 1977 allowed Japanese exporters to increase exports in line with the rise in British car purchases.

As a result, despite this mild restraint, exports to the U.K. went up 9.7 per cent. in 1976 and, perhaps, over 20 per cent. in 1977. That is as good a performance as on the American market, so it is not the sort of built-in increase which Japanese makers would like to lose.

Soviet pipe order for W. Germany

The West German concern, Mannesmann-Höpfer and Thyssen Stahlunion, have won another contract from the Soviet Union for delivery of large pipes for transport of natural gas under extreme low temperature conditions, writes Jonathan Carr from Bonn.

The new contract is for 300,000 tonnes of piping to be produced in Mannesmann's Wuppertal (Ruhr) factories by this autumn and shipped to the Soviet Union. No details of the value of the order have been given, nor of the credit conditions involved which have been arranged through a German banking consortium led by Deutsche Bank.

Medical standard

THE FIRST international agreement for the manufacture, installation and application of electrical equipment used in medical practice has been reached at a conference of the International Electro-technical Commission (IEC) in Helsinki, Dr. David Carrick writes.

This new IEC standard supplies a general safety standard for the electrical medical equipment and can now be used, not only as a guideline by the medical profession, but also by manufacturers when establishing larger production lines to meet minimum national safety requirements.

Fork lift order

An order worth in excess of £1m. has been placed with Bonser Engineering of Gillingham, Nottingham, for 100 of its range of fork lift trucks, by the company's agents in Nigeria, Levitts Motors of Apapa.

ECGD guarantee

The Export Credits Guarantee Department has guaranteed the repayment and funding for two loans of \$1.85m. each which the Royal Bank of Scotland has made available to Brodospas, an enterprise for ships salvage and dismantling, of Yugoslavia. The loans will help finance contracts awarded by Brodospas to R. Leasing for the supply and delivery of two second-hand tug supply vessels.

Ericsson contract

Société Française des Téléphones Ericsson said it had won a Fr.71m. contract to develop the telephone network of the Republic of Benin.

Steel aid

The EEC Commission said it is granting a Frs. 350m. loan to Société Lorraine de Laminage Continu (Solbec) to contribute to the financing of its Seremange, Lorraine, steel plant.

Concorde flights to Lagos and Jeddah under discussion

BY LYNTON McLAIN, INDUSTRIAL STAFF

CONCORDE services from London to Lagos, Nigeria, may follow from discussions next month between British Airways, British Caledonian and Nigerian Airways.

Supersonic flights from London to Jeddah are also under discussion between British Airways and Saudi Arabian Airlines.

The announcements have come as British Airways is stepping up its London to New York service, while not reintroducing the four flights a week which operated to Washington before December 10 last year.

The New York flights, which began on November 22 last year, are to be stepped up to six a week from Sunday, January 15. There will be no flights on Saturdays.

Concorde flights to Washington were reduced from four a week to two a week in December. A third flight will be added from February 16, but there are no plans to reinstate the fourth.

This has been dropped for the foreseeable future as New York justify a "closer look."

Callaghan asks India to ease controls on imports

BOMBAY, Jan. 11.

THE PRIME MINISTER, Mr. James Callaghan, told British businessmen here today that he had asked the Indian Government to do all it could to ease its present controls on imports and investments.

He had heard a good deal about the problems British companies encountered in the negotiation of licensing agreements and in remittance of dividends under India's Foreign Exchange Regulation Act.

Mr. Callaghan said he had spoken on these problems with Indian Prime Minister, Mr. Morarji Desai, and members of his Cabinet and left a memorandum with Mr. Desai.

Mr. Callaghan said he believed there was every possibility of a substantially increasing Indian trade in both directions and that there would be more industrial collaboration between the two countries.

He was speaking to the heads of British companies operating in India at the end of his five-day visit here before flying on to Islamabad on the third stage of his south Asian tour.

Pakistan tractor plant

BY IQBAL MIRZA

A TEAM from the Canada-based tractor manufacturer Massey Ferguson is expected to arrive here later this month to finalise the rupees 1bn. (about \$53.2m.) joint venture project to produce tractors in Pakistan.

The project, which envisages production of 10,000 units at maximum capacity, will be 49 per cent. owned by Massey Ferguson and 51 per cent. by the Pakistan Tractors Corporation.

Massey Ferguson will also arrange a long-term loan worth rupees 400m. through the British Export Credits Guarantee Department and U.S. and U.K. banks under the project.

Pakistan will be able to produce 84 per cent. of the required spares for tractors in the next five-year period.

Meanwhile it was announced here that Pakistan and China will exchange goods worth \$24m. each way this year under a new trade protocol. Goods worth \$16m. were traded each way over the last two years.

KARACHI, Jan. 11. exchange China will export to Pakistan steel billets, tools and workshop equipment, textile machinery, rice planters, grid station equipment, hospital and laboratory equipment, telecommunication equipment and construction machinery.

China will also export items for the private sector. These include tiles and sanitary ware, sheet and plate glassware, earthenware and porcelain.

AP-DJ reports: China says it intends to overtake the U.S. in steel production by the end of this century. Mr. Tang Ke, head of the Ministry of Metallurgical Industry in an interview with the official Hsinhua News Agency, set this as Peking's target.

Western specialists, however, estimate China's production of crude steel in 1976 was only 21.22m. tonnes, down from 26m. in 1975. China reported 1977 steel output 12.7 per cent. above that of 1976, but did not give production figures. Thus 1977 output was less than that of 1975, when U.S. output was 116.6m. tons.

U.S.-EEC in steel talks

BY DAVID BUCHAN

A JOINT working-party of U.S. and EEC officials met here today to devise a proper comparison between the complicated price systems that the Community and the Carter Administration have developed against price steel imports.

The EEC Commission today expressed concern that the U.S. trigger price system might hit "certain EEC steel exports to certain regions of the U.S."

This concern is understood to stem from the fact that the American system, due to come into force next month, is calculated on Japanese production and, more important, transport costs. The fear is apparently that, while Japanese steel is sold mainly on the West Coast, EEC exporters may have some difficulty reaching Midwest steel markets from East Coast ports at a low enough price to win orders.

Basically, the EEC officials consider that the two price systems are roughly of the same absolute level, and there is thus little danger of third-country imports being diverted from one

BRUSSELS, Jan. 11.

market to the other. Whether the margins between U.S. domestic prices and the new trigger prices—reported to be an average of 5.7 per cent.—is enough to allow EEC steel exporters to keep their present U.S. market share, will only become clearer after today's meeting.

Meanwhile, the EEC Commission is to embark on the first round of its bilateral negotiations with steel-exporting countries next week. Talks with Austria and Sweden are to be held on January 18, with Norway on January 20, and with Switzerland and Portugal on January 23. So far, only this time-table, with the EFTA countries has been fixed.

These agreements, covering both price and quantities of steel imports, are designed to replace the system of minimum import prices that the Community has imposed between January 1 and March 31 this year. The bilateral agreements are expected to last until the end of 1978.

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HOME NEWS

Chrysler to freeze its Sunbeam and Alpine prices

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER U.K. is to freeze the price of its Sunbeam and Alpine models for the next three months to maintain the sales momentum which began last month.

This unusual move, at a time when other U.K. manufacturers are lowering prices in the face of increasing demand, is the view that several car companies are preparing for a tough marketing battle this year.

Although the total market is expected to go up by about 7 per cent this year, to about 1.5 million units, Chrysler has its both Japanese and Continental exporters plan to step up their efforts in the U.K. and the British industry itself will produce more cars than last year if it manages to meet its targets.

Chrysler's policy is being dictated by these developments, plus the fact that the Sunbeam had a troublesome launch because of strikes at its Linwood plant, and has a great deal of lost ground to make up.

The company's launch price seems to have been dictated by the desire to be able to hold own prices for about six months.

At the same time, production of the Alpine, now totally (£4,188).

THE CONCEPT of "public accountability" by companies, which underlines the Government's Green Paper, The Aims and Scope of Company Reports, is vague, dangerous and inequitable, according to the Stock Exchange.

Mr. Nicholas Goodison, chairman of the Stock Exchange, launching a direct attack on the Green Paper, said yesterday: "If directors are to be held accountable to groups of people who have no direct responsibilities or interest in the company, they will in practice cease to be accountable to anyone."

"Company law is concerned with the obligations of companies to their shareholders and creditors."

Most of the proposals in the Green Paper "do not belong in the field of company law and are clearly designed to serve other interests."

If the Government wanted to extend companies' accountability to specific groups on particular matters, it ought to do this by specific legislation.

However, the notion of requiring companies to be accountable to the public at large was a woolly concept which "could not be given, nor should be given, legal form."

If companies were made to disclose information simply because of vague notions that public interest was involved, pressure groups would not be long in seeking to influence companies over decisions which related to these matters.

"The possibilities would have the most damaging potential for companies," he said.

The Stock Exchange, however, goes further than just arguing that the concept of "public accountability" is both, vague and dangerous. It also claims that it is inequitable if it is to be applied just to public companies over a certain size, as the Green Paper proposes.

An earlier paper, the Corporate Report, had recognised that there were other "significant economic entities," such as local authorities, nationalised industries and partnerships to which the notion must also apply.

To pick on companies alone was simply "convenient."

The Stock Exchange does agree with certain specific proposals in the Green Paper. These were likely to be included in future listing requirements for companies.

They include statements of added value, statements of source and application of funds, analysis of short-term borrowings, details of leasing agreements and foreign currency transactions.

Sainsbury claims December recovery

By Our Consumer Affairs Correspondent

J. SAINSBURY claimed yesterday to have new evidence for its claim that it had started its new cut-price programme this week from a position of strength.

According to figures produced by Audits of Great Britain, the company's share of the packaged grocery market recovered to 8.3 per cent in the four weeks to the middle of December.

This is only just below the share Sainsbury was taking just before Tesco dropped stamps and adopted its new policy of discounts in the summer.

Immediately after the Tesco move, Sainsbury's share dropped to 8.1 per cent, although it made up for this overall by making bigger inroads into the markets for other supermarket lines, such as fresh foods.

Audits monitors the sales of the biggest selling grocery lines and it is these items which form the basis of Sainsbury's new discount programme.

Sainsbury, with the rest of the trade, has always stressed that it is unwise to read too much into one month's figures.

Oilmen expect price-pegging well into 1978

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL INDUSTRY forecasts show about \$1.72 to the pound, prices that product prices are likely to have fallen markedly in the in-be pegged at present levels for dustrial markets through rebates and discounts.

With hardly any growth in sales expected in the next 12 months, oil companies foresee little chance of improving their prices by an average of 2p a gallon.

They say that even if the Organisation of Petroleum Exporting Countries raises crude prices this summer, it is far from certain whether market conditions will allow such an increase to be passed on.

On the other hand, the industry sees little chance of a reduction in prices in the next few months to reflect the recent rise in sterling against the dollar.

The fluctuating pound can have a marked impact on oil prices; it is calculated that a five cent movement in the exchange rate generates an overall cost reduction to the oil companies of about £1.20 a tonne, or about 3p a gallon on all products.

The main cause of oil price increases in 1978 was the falling value of sterling.

Those expecting companies to trim prices in the next few months are in for a disappointment, according to marketing executives.

They say that since the last round of price increases in April, reflecting an exchange rate of

Grants chases supermarket trade

BY KENNETH GOODING

ANOTHER example of the major impact the supermarkets have made in the liquor trade comes today with news that Britain's biggest wine and spirit merchant, Grants of St. James's, is to make significant changes.

Grants, an Allied Breweries subsidiary, is to divide its sales and marketing organisations into two new companies, one to operate as a wholesaler, and the other to act as a brand owner.

The company markets and distributes about 700 brands of wines and spirits. The latest statistics registered at Companies House—for 1976—showed turn-

over at £104m. and taxable profits at nearly £14m.

"Wholesaling and brand-owning are two very different businesses and for them both to develop their full potential it is necessary for them to operate under separate organisations," a spokesman said.

Laing drops £25m. Eastbourne plan

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

JOHN LAING has backed out of a £25m. Eastbourne central shopping development. The contract, made with its funding partner, the agreed to move into this first phase building.

The company planned to build an additional 140,000 square feet of covered shopping area when the first phase proved successful.

Eastbourne Council's embarrassment at the Laing decision is heightened by the need to agree on a development plan before March. The council's powers of compulsory purchase on the site expire on March 14.

Any proposals after then would involve another public inquiry and protracted planning delays.

Town and City awaits the council's next move. It hopes it has regained the role of developer in the proposed centre, and views the council's change of heart as a confirmation of the In the first stage a 325,000 group's improving image after years of financial

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Builders face 'worst year since 1963'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THIS YEAR will be the worst for the construction industry since 1963, according to the National Council of Building Material Producers.

A fact sheet entitled A Bleak Look for Construction, published yesterday by the council, says it is expected that the industry will show no signs of recovery until next year and that output this year will be no better than last year.

The forecast is at odds with some of the latest predictions concerning the industry's future which have pointed the way to a minor revival in fortunes this year.

The council says that in spite of the £630m. that the Chancellor has restored to public spending on the construction industry since last March, the industry still faces two lean years.

More than £2bn. had been cut from capital spending since 1973, with construction being cut by £1bn. in 1976 alone.

BITUARY

Professor Fred Hirsch

PROFESSOR Fred Hirsch, who died on Tuesday, enjoyed a distinguished career in the three fields of academic Press, economics, international monetary affairs and financial journalism.

He was born in Austria in 1901. Three years later his family moved to Britain. After finishing at the LSE, he worked for The Times under Wilfred King and for The Economist, where he was Financial Editor from 1953 to 1968.

He then moved to the IMF where he was Senior Economic Adviser until 1972. This was followed by two years as a Research Fellow at Nuffield College, Oxford; in 1975 he became professor of International Economics at Warwick.

His written work was erudite, but never pedantic. His book, The Pound Sterling, published in 1965, was the first to advocate the devaluation of sterling, two years before it occurred and at a time when the subject was supposed to be unmentionable.

His book Money International, published in 1967, became a standard guide, and Professor Hirsch had a major hand in many of the IMF studies which led to the World Bank's post-Bretton Woods era.

There is a growing desire to stretch the horizon of economic studies without abandoning their standard expression in Social Science. Published in 1971, his book, The Club of Rome, was a sharply distinguished contribution to the Club of Rome's fears of physical scarcities.

His work is probably the most useful and comprehensive analysis yet attempted of the rise in output and income so often fails to bring the needed satisfaction, and why before both capitalism and more growth-oriented forms of socialism fail to live up to expectations.

Sir John Laing

SIR JOHN Laing, life-president of the Laing group of companies, has died aged 98.

Although he maintained a close interest in the affairs of the group, he relinquished active control some years ago.

Sir John was born in Carlisle. In 1895 entered the family business founded by his grandfather. Under his direction, the organisation grew into an international group—today one of the largest building, civil engineering, property development and manufacturing companies in the country.

He is survived by his two sons, Sir Kirby and Sir Maurice Laing, his wife, Lady (Beatrice) Laing, died aged 86 in 1972.

'Unpalatable' decisions needed

THE ALL-PARTY Commons committee investigating the British Steel Corporation has recommended that the number of jobs at the corporation should be cut to provide a more efficient industry.

Its second major recommendation is that parts of investment projects, worth about £20m, at Port Talbot in South Wales and at Redcar, Teesside, should be postponed or cancelled.

The committee recommends that the second of its two reports into British Steel should form the basis of a Commons debate lasting at least two days, and that there should be an early statement on British Steel from the Government.

This should include the "unpalatable but necessary decisions that need to be made."

The committee sees the early closure of a number of the older works—which are being maintained in production as a result of Lord Beswick's review while he was at the Department of Industry—as an essential part of its proposed strategy.

The prospect of assisting the corporation back to profitability—it is losing up to

£1.5m a day—by a financial reconstruction is also considered.

Such a reconstruction would reduce the corporation's burden of current and future interest costs. The committee recognises reluctantly that partial financial reconstruction may be inevitable as a result of recent events.

Underlying the research and recommendations in the two reports is a feeling of deep disquiet that the committee has been unable to investigate its subject properly because of the reluctance of British Steel, the Government and the unions to give full information.

The committee has recommended that Parliament should set up a select committee of correspondence that has passed between Mr. Eric Varley, the Industry Secretary, and British Steel.

The committee's apprehension about the impact of its work on British Steel's problems are summed up in the following paragraph in the second report:

Your committee fears that the remedies proposed after due consultation between the Government, the BSC, and the trade unions, will be an unsatisfactory compromise involving

each of the three courses of action (manpower reductions, reduced capital spending, and a capital reconstruction), and that as a result of the elements of financial reconstruction in the compromise, the true nature of the crisis in the Corporation will be concealed only to reappear in a yet more virulent form at a later date.

The committee recognises that British Steel faces at least two years of losses unless both its policies and its market are changed radically.

In July last year, the committee estimated that the corporation's spending on assets between 1977 and 1981 would be £3,492m, at outturn prices. By December, it had added £1,210m, to that estimate.

To contain borrowings, the committee estimates that fixed capital expenditure must be cut by 35.4 per cent, below the levels forecast in July last year.

Such cuts would almost certainly involve the cancellation or lengthy postponement of the two major projects at Port Talbot and at Redcar.

The earlier possible phasing-out of a substantial number of the Beswick plants is considered a sensible course by the committee.

It also says there must be a steady reduction in jobs so that productivity targets can be met in plants falling short at present.

The committee points out that very little progress has been made in manpower reduction since the agreement between the trade unions and British Steel in January 1976.

It would be undesirable for obvious social reasons for there to be a rapid reduction in the size of the workforce—but a steady and progressive net reduction in each of the next five years must be achieved," says the committee.

Looking at investment policy, the committee reckons that the South Wales and Llanwern expansions are almost complete, although South Wales continues to suffer from a shortage of iron.

It recommends that the Ravenscroft plant expansion in Scotland should go ahead to completion as should the first stage of the Redcar, Teesside, development.

But it believes that it might be better at Port Talbot to replace the ageing wide strip

mill, using the foundations of the existing mill, rather than to go ahead with plans for a medium-width strip mill primarily to supply the needs of the can-makers.

"The medium-width strip requirement for modern can-making is a separate investment problem which should not be the sole mainstay of the whole Port Talbot investment," the committee says in its second report.

The proposal for a new plate mill on Teesside, it adds, should go ahead only after a searching review of the demand prospects for its output, especially in the North Sea gas and oil industry and in the shipbuilding industry.

The committee believes that plate requirements should be examined as a specialised problem involving, principally, the Redcar plate mill and the mills at Consett and Harrogate. Plate requirements should not be seen as the mainstay for the far larger steelwork project at Redcar.

The second development phase at Redcar is priced at £1.65bn in 1975 prices and the committee says it has been given no justification whatsoever for such an increase in steel making capacity.

Cash flow estimates soar as finances deteriorate

BRITISH STEEL'S deteriorating financial position in 1977 caused the committee to produce two pendulum estimates of cash flow estimates for the corporation.

The committee bases its estimates on the likely revenue account "if it is possible to anticipate a loss of (say) £100m in 1977-78 and a break-even total external funds British Steel £300m, in 1977-78 and a further even position in 1980-81."

The committee considers that the action to cut expenditure on the second estimates, reviewed estimates on the likely revenue account "if it is possible to anticipate a loss of (say) £100m in 1977-78 and a break-even total external funds British Steel £300m, in 1977-78 and a further even position in 1980-81."

CASH FLOW ESTIMATES, 1977-78 TO 1980-81 (JULY 1977 ESTIMATES)

£ million outturn prices				
Item	1977-78	1978-79	1979-80	1980-81
Applications				
Fixed Assets	425	843	991	1,013
Working Capital	184	144	165	189
Total Applications	609	987	1,156	1,202
Sources				
Generated Funds	-50	219	252	257
External Funds	759	768	904	945
Total Sources	709	987	1,156	1,202

CASH FLOW ESTIMATES, 1977-78 TO 1980-81 (DECEMBER 1977 ESTIMATES)

£ million outturn prices				
Item	1977-78	1978-79	1979-80	1980-81
Sources				
Generated Funds	-400	-250	0	118
External Funds	1,129	1,257	1,156	1,084
Total Sources	729	1,007	1,156	1,202

Committee gives increased productivity higher priority than expansion plans

Main recommendations of the two reports:

- British Steel should concentrate on raising productivity at existing works rather than incur higher overall costs by introducing new facilities.
- The committee calls for clear views to be put forward in the public steel debate, "in which Government and departments and the corporation have shown themselves so far unwilling to engage."
- The corporation should develop and improve its monitoring and control procedure for capital projects.
- British Steel and the Department of Industry should both improve financial forecasting — "not least so that reliable estimates can be laid before Parliament."
- The Treasury, the Department of Industry and BSC should consider the appropriate self-financing ratio of the corporation.
- British Steel's capital spending should be authorised only for specific projects which promise adequate returns.
- Mr. Varley, the Industry Secretary, should ask British Steel to explain why the corporation has such a high break-even ratio.
- Mr. Varley should take into account the need for maximum production efficiency in British Steel when he reviews the future of the Shotton plant in North Wales.

Directors

- More information should be made available to British Steel non-executive directors. They should serve for at least four years and their pay should be reviewed.
- The Government should encourage closer association between the Iron and Steel Trades Confederation, the National Union of Blast Furnacemen, and the Steel Industry Management Association. It should provide finance and an independent mediator.

Urgent consideration should be given to improving industrial relations and negotiations on manning levels should begin as soon as possible.

- The Industry Secretary should initiate a formal procedure requiring major steel projects to be accompanied by manning outlines agreed with the unions.
- The unions should organise themselves to respond adequately in the steel industry to a much wider field of responsibilities than they have done so far.

- British Steel should review the balance between reduced costs and lost revenue resulting from rationalising projects.
- The corporation should look at sales opportunities and Government should consider strengthening British Steel's position.
- The Industry Department should investigate scrap supplies.
- The Department should improve the consultation between British Steel and private steel industry.
- British Steel should be properly compensated by Government for any non-commercial obligations.

The Treasury should consider a self-financing ratio as a regulatory device for the provision of finance to British Steel.

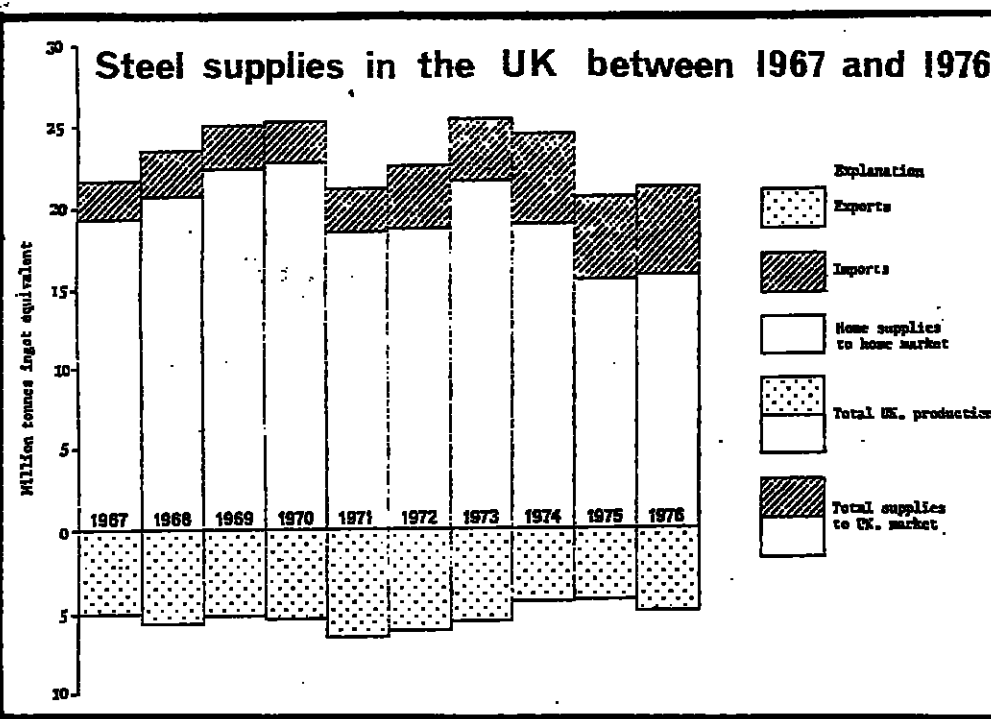
- The Treasury should consider a self-financing ratio as a regulatory device for the provision of finance to British Steel. The corporation should be allowed to raise its own loans with flexibility.
- The task of sanctioning British Steel's financial needs should be switched from the Industry Department to the Treasury and direct experience of industry should be essential for civil servants taking part in the corporation's affairs.

Procedures

- New procedures should be adopted by the Department of Industry, the Treasury and British Steel for reporting on the industry, planning investment and taking Government decisions on the industry.

the industry, planning investment and taking Government decisions on the industry.

- The Treasury should consider a self-financing ratio as a regulatory device for the provision of finance to British Steel. The corporation should be allowed to raise its own loans with flexibility.
- The task of sanctioning British Steel's financial needs should be switched from the Industry Department to the Treasury and direct experience of industry should be essential for civil servants taking part in the corporation's affairs.



Titles of reports

THE FIRST and second reports from the Select Committee on Nationalised Industries into the British Steel Corporation.

First report: House of Commons Paper 26-1 (Stationery Office, £1.50).

Second report: House of Commons Paper 137-1 (Stationery Office, 60p).

More political freedom in Civil Service urged

BY DAVID CHURCHILL

MOST CIVIL servants will be free to take part in national and local politics, subject to the approval of their department, if the Armitage Committee's report, published yesterday, is accepted by the Government.

The committee, set up by the Prime Minister in May, 1976, with Sir Arthur Armitage, vice-chancellor of Manchester University, as chairman, has recommended that about 375,000 middle-grade civil servants should be allowed to take part in political activities unless the type of work involved prevented this.

Previously, such middle managers were classed as "politically restricted" and prevented from most political activity.

Some 23,000 senior civil servants will still be subject to restrictions because of the sensitive nature of their work.

The "intermediate" category, consisting of all staff above executive officer level, together with executive officers and information officers, who are barred from national political activities but may apply for permission to take part in local political activities.

The "politically free" category, consisting of industrial and non-office grades, who are free to engage in any political activity, including standing for Parliament (although they would have to resign from the service if elected).

The "politically restricted" category, consisting of all staff above executive officer level, together with executive officers and information officers, who are barred from national political activities but may apply for permission to take part in local political activities.

The number of staff in the "restricted" category would be reduced from 196,000 at present to 23,000 (about 3 per cent of the civil service). These staff remain ineligible to take part in national political activities but they could, as at present, ask permission to take part in local political activities.

Staff in the "intermediate" category (about 67 per cent of the civil service) would, on the committee's recommendation, be able to take part in national and local activities.

Permission to take part in political activities—in the case of staff in the "restricted" category, in local activities only—would be given or withheld on the basis of specific criteria which would have regard to the nature of the work on which the individual was engaged.

But the committee recommends that permission should not normally be given to the following groups of staff:

- Staff dealing directly with Ministers either in advising them in submitting policy recommendations or in executing ministerial decisions.
- Staff, a substantial amount of whose work involves them in both a. intimate knowledge of and direct contact with members of the public in regard to their personal affairs, and b. making, or contributing to, making decisions affecting the personal lives of members of the public;
- Staff representing HM Government overseas;
- Staff working in sensitive areas, for example a minister's private office or security Committee on Political Activities of Civil Servants, Cmd. 7057, £1.35.

CONTRACTS AND TENDERS

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA
MINISTRY OF INDUSTRY & ENERGY
ENTREPRISE NATIONALE "SONATRACH"
MARKETING DIVISION
DOMESTIC MARKET DEPARTMENT

International Invitation to Tender No. 4/77

SONATRACH is launching an invitation to tender for the Engineering study, supply of equipment, construction and starting into operation of the following:

- A barrelling unit for ammonia with a capacity of 4,000 tons/year in Arzew.
- 2,000 tons/year in bottles.
- 2,000 tons/year in tank-wagons.

Interested companies should apply to—
SONATRACH, Division Commercialisation,
Direction du Marché Interieur, D.R.I.
(Buse Alcep).

Route des Dunes,
CHERAGA (Algiers) Algeria
Telex: 52.808 DZ—52.892 DZ—32.983 DZ

to obtain the tender documents, against a payment of Dinars 200, as from the publication of the present announcement.

Tenders, together with the relevant usual references, should be sent in double sealed envelopes by registered mail to SONATRACH, address above, the inside envelope clearly addressed as follows:

"A ne pas ouvrir - soumission A.O.1. 4/77" by March 1, 1978 at the latest.

Tenderers remain bound by their quotations for a period of one hundred and twenty days. Tenders which do not follow the above-mentioned indications will not be taken into consideration.

ART GALLERIES

COLNAGHI'S, 14, Old Bond St., W.1, 499
7408, THE VIENNA SECESSION, Vienna
Prints, Paintings, Sculpture, Jewellery
Monday 10.00-6.00, Tuesday 10.00-6.00, Wednesday 10.00-6.00, Thursday 10.00-6.00, Friday 10.00-6.00, Saturday 10.00-6.00, Sunday 10.00-6.00, Bank Holiday 10.00-6.00.

LEGAL NOTICES

No. 0002 of 1978
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court
In the Matter of LLOYD'S BANKING CORPORATION
NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 9th day of January 1978 presented to the said Court by THE NATIONAL ASSOCIATION OF BANKERS AND SECURITIES OF STATE BANKS (HOLDINGS) LIMITED, W.C.I., and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 13th day of February 1978, and any creditor or contributory of the said Company desiring to appear at or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the reasonable charge for the same.
M. W. M. OSBORN,
Solicitor General,
15, Abchurch Lane, London, E.C.4.

COMPANY NOTICES

NOTICE TO THE SHAREHOLDERS OF ASIA NAVIGATION INTERNATIONAL LIMITED, BERLINA

NOTICE IS HEREBY GIVEN that the Register of Members of ASIA NAVIGATION INTERNATIONAL LIMITED, BERLINA, is open for inspection at the offices of the Company, 111 Wall Street, New York, New York, from 10.00 a.m. to 5.00 p.m. on 12th January 1978, and on 13th January 1978, and on 14th January 1978, and on 15th January 1978, and on 16th January 1978, and on 17th January 1978, and on 18th January 1978, and on 19th January 1978, and on 20th January 1978, and on 21st January 1978, and on 22nd January 1978, and on 23rd January 1978, and on 24th January 1978, and on 25th January 1978, and on 26th January 1978, and on 27th January 1978, and on 28th January 1978, and on 29th January 1978, and on 30th January 1978, and on 31st January 1978, and on 1st February 1978, and on 2nd February 1978, and on 3rd February 1978, and on 4th February 1978, and on 5th February 1978, and on 6th February 1978, and on 7th February 1978, and on 8th February 1978, and on 9th February 1978, and on 10th February 1978, 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GKN to close plastics plant

By Kevin Done, Chemicals Correspondent

GKN SANKEY is to close its plastics division because of persistent losses incurred over the past two years. The plant at Walsall, Wolverhampton, employs 650 people.

The company says that every effort will be made to find alternative employment for the workforce at other GKN factories in the area.

Employees have been told that the division will be progressively wound down over the next six months and the management expects to have completed the closure by July.

The GKN Group is one of the largest suppliers of components for the automotive industry. The plastics division produces injection mouldings for the motor, television and domestic appliances industries.

In the past two years the division has faced mounting losses totalling some £1.5m. Its turnover last year was some £8m, out of a group turnover of more than £50m.

Mr. Done said yesterday that the closure was due to lack of demand, weak prices, and the continuing losses. Among other factors contributing to the low demand has been the uncertain state of the British motor industry, as much of the production on the Walsall factory is taken by domestic customers.

Pinchin to trade in gilt-edge

By Margaret Reid

VIC PINCHIN, one of London's largest stockjobbing firms, is to begin trading in the gilt-edged market, where its entry will raise the number of jobs—the stock exchange's wholesalers—to 100.

Mr. Pinchin will mark an important development in the future of the stock market's activities.

The decision by Pinchin to 1 Wedd Durlacher Mordant & Akroyd and Smith in the City of London, the main Government stock sector has been an agent for the background of the business in this field for 10 years.

Last year, admittedly an exceptional one, deals in gilt-edged securities accounted for some 40 per cent of the value of all transactions on the Stock Exchange.

Pinchin, which is a private partnership, and will remain one, concluded that it can no longer afford to stay out of such important areas of stock market trading. The partnership has decided that it cannot prosper as would wish in the long-term without widening its range in a manner proposed.

Mr. Pinchin will also move significance in the City of London, the main Government stock sector has been an agent for the background of the business in this field for 10 years.

Mr. Pinchin, which has 31 partners, seeking a £20,000-a-year senior partner to run the proposed gilt-edged section.

Mr. Pinchin is now trading in the City of London, the main Government stock sector has been an agent for the background of the business in this field for 10 years.

State agents in Marples

MR MARPLES of Wallasey, Merseyside, Transport Minister, is to be named as a firm of London agents for alleged non-payment of commission on the £230,000 worth of property he once owned.

Mr. Marples' Real Estate company of Baywater, London, is claiming £230,000 from Mr. Marples, whose address is simply as "a village in Ireland."

POINTMENTS

Palau to head IDV export companies

Geoffrey Palau, deputy chairman, INTERNATIONAL DISERS AND WINNERS, will be a member of the IDV group of companies from April 1, in addition to Mr. D. E. Nelson, retired from the IDV group at end of March.

David W. Wythe has been named chairman and president of IDV-EUROPA in succession to Mr. G. R. E. Williamson, who has resigned to pursue a career. Mr. Eric E. Barber, former chairman of Starling Group in place of Dr. ...

W. A. Weddell has been appointed managing director of IDV HINE TOOLS, a new company being formed to bring closer the manufacturing, design and sales experience of the tool companies within the Machine Division. Mr. G. A. DUCITS, who has joined as commercial manager in 1974, when the company was known as Longmore Brothers, will be appointed a director in the same year, being in the Treasury for some years before moving to the Foreign and Commonwealth Office in 1968 to advise on management services and administration. Mr. Felgate, who is retiring after 31 years' service, will continue to serve the IDV in a part-time consulting capacity.

Mr. Colin Draper has resigned as chairman and a director of CORNELL INSURANCE because of full-time commitments in the U.S. Mr. David W. G. Sawyer, at present deputy chairman, has been appointed chairman. Mr. Julian T. Faber has been re-elected to the Board.

SIR JOSEPH CAUSTON AND SONS, Mr. Michael Hook has resigned the Group as London division marketing director.

Mr. R. L. J. Agnew has joined the Board of C. TENNANT SONS AND CO.

Mr. George Edwards, who is presently London director of the Scottish Council (Development and Industry), has been appointed president of the new Scottish Council for co-ordinating for the bank's London office.

Long-life light bulbs research has ended

BY LYNTON McJAIN, INDUSTRIAL STAFF

BRITAIN'S lamp makers have virtually stopped research into long-life domestic bulbs in favour of more research into high-efficiency lamps, even though these may not be on sale for 40 years, a Commons sub-committee was told in evidence yesterday.

More efficient lamps could cut Britain's lighting fuel bill by a third, Mr. Ivor Cohen, leading division director of Philips Industries, told the committee, which is investigating the durability of filament and discharge lamps. This could equal the output of a complete power station if inefficient domestic tungsten lamps were replaced by fluorescent tubes.

These were many times more efficient converters of electricity into light than domestic tungsten bulbs, but the public still bought twice as many of these inefficient lamps as all other bulbs together.

Domestic lamps with double the standard 1,000-hour life set in the 1920s had been on sale in Britain since 1959.

Crompton Parkinson, the makers, told the committee that it had been unsuccessful in persuading people to buy the lamps. Sales of the double life lamps had fallen since their introduction.

Mr. J. Birch, chairman and managing director, said some local authorities had changed their double-life bulbs for higher efficiency fluorescent lamps.

These used less energy, an advantage which industry but not the public had been "educated" to accept. There were "limits" to how much the domestic lamp, even with a double life, could be improved.

The real solution, said Mr. Birch, is to go for a completely different type of lamp. We must move away from the old-fashioned tungsten filament bulb.

Consequently, Crompton Parkinson has done "no research since 1959" into increasing domestic lamp life.

The company said it was difficult to get the technical merits of the double life lamp, which gave 20 per cent less light per watt in the case of the 100 W tungsten lamp.

This inefficiency had been largely overcome with the invention in the 1960s of the tungsten halogen lamp. This is used in cars, aircraft and traffic lights.

Philips Crompton Parkinson and Osram-GE, which all gave evidence, agreed that there was a good future for discharge lamps, tungsten halogen lamps and sodium lamps which were "among the most efficient lamps anywhere in the world," Philips said.

Research to make these suitable for mass production and for the domestic user was going ahead, while double-life lamp sales stagnated.

Spending 'key to deficits'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE WIDESPREAD view that countries in persistent current account surplus, notably Germany and Japan, are holding up the recovery of other economies is strongly questioned today by leading international trade economists.

Professor W. M. Corden of the Australian National University, says the problems of deficit countries are not their deficits, but rather the pressure for spending in excess of real income. The deficits are the results of their problems, and not the cause, he adds.

These views are set out in the January issue of *The World Economy*, a quarterly journal on international economic developments launched last October by the Trade Policy Research Centre.

Professor Corden says that in the debate over the causes of surplus countries, a constant feature of recent international economic meetings—the distinction between demand expansion and output expansion—does not appear to be clearly understood.

He argues against the view that nominal demand expansion can reduce unemployment and under-utilisation of capacity. "The cause of unemployment at present may well be mainly structural," remediable by "improving micro" rather than crude macro ones.

This idea might have some short-term validity, but—effect would not last and, more important, it would do so at the cost of increased inflation.

The argument is put in terms of a dialogue between a supporter of expansion by the surplus countries and a sceptic.

In response to the fear of potentially adverse balance-of-payments effects, Professor Corden says that "exchange-rate flexibility can insulate an economy from monetary policies and disturbances abroad, and therefore, there is nothing to stop any country expanding nominal demand as much as it wishes, and then devaluing appropriately to avoid adverse balance-of-payments consequences."

He says a devaluation should improve the balance of payments. "Exports increase and the balance of payments improves in response to a real devaluation."

On the import side, given time, price-justices are at low and on the export side, short-term adverse effects on the balance of payments justify foreign borrowing, secured by the likelihood of an improvement later in the current account of the balance of payments, Professor Corden argues.

He agrees devaluation may generate a bigger rise in domestic costs and prices than would have resulted from the expansion if the exchange rate had stayed fixed, but some domestic inflation is the inevitable cost of economic expansion.

Expansion by the major economies cannot worsen the terms of trade of all other countries, Professor Corden says.

The World Economy, volume 1, number 2, January 1978, Trade Policy Research Centre, 10 South Square, London EC4A 3DE.

Power deal discussed

BY CHRISTOPHER DUNN

THE Central Electricity Generating Board may buy an extra 3m to 4m tons a year from the National Coal Board, after tripartite talks between the Boards and coal unions, Sir Derek Ezra, Coal Board chairman, said yesterday.

The increase in business with the Generating Board, already the Coal Board's biggest single customer, could start in April.

Sir Derek was confident the Coal Board could meet these specifications. He told Mr. Glyn England that more coal could be supplied if the electricity industry required it.

"This is exactly the kind of opportunity we must seize if we are to reverse recent trends," Sir Derek Ezra said. Similar opportunities for expanding coal business in other markets were bound to crop up.

An important proviso in the deal, stipulated by the electricity authority, is that the supply must be acceptable to the Coal Board's customers.

Sir Derek was confident the Coal Board could meet these specifications. He told Mr. Glyn England that more coal could be supplied if the electricity industry required it.

Which? backs British cars

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH CARS are no less reliable than foreign ones, according to a 26,000-car survey reported today in the latest edition of the Consumer Association magazine *Which?*

The magazine's conclusion goes some way in confirming the recent claims of British manufacturers that the quality of their products has improved over the last few years.

"But there are differences in reliability between different makes, and it is a depressing fact that all the makes which are consistently more reliable than average are foreign. However, that does not mean that all foreign cars are reliable."

Nor did it mean that a car with good reliability necessarily was cheaper to service and repair. Spares, for instance, might cost a lot more.

However, "lower garage bills do not really compensate for the inconvenience of a car letting you down."

A potential buyer's chance of finding a trouble-free car of any age was "pretty slim," the magazine said.

Three out of four one-year-old cars had at least one fault, and this rose steadily to more than nine out of ten cars having at least one fault when only five years old.

Electrical systems and accessories gave users the most complaints, with paintwork and bodywork also troublesome.

The survey showed that 28 per cent of all cars a year old broke down. This rose to 35 per cent in two-year-old cars and reached a peak of 52 per cent in cars eight years old.

Datsun, Toyota and Volkswagen proved more reliable than the average. Of the makes which proved less reliable than average, Chrysler, U.K., Fiat, Vauxhall and some Reliants and Skodas were named.

Barclays credit card coverage extended

BARCLAYS BANK is to extend the coverage of the company credit card scheme which its European operations have been planning since March last year.

The service is now to be made available throughout the bank's network of over 3,000 branches, so far some 1,800 companies have joined the scheme and 3,000 cards have been issued.

Cashless payment by credit card is now also being made available to partnerships and other unincorporated businesses. This has not been the case under the pilot scheme.

As an extra facility, the company name as well as the cardholder's can now be embossed on the card where the company wishes, though where this is done the card will not function as a cheque guarantee card as well as a credit card.

A company specifies the total credit limits and allocates to each cardholder enough to cover business expenses likely to occur over a six-week period. The minimum credit limit for company cards is £100.

British Rail shows art

By Antony Thorncroft

TWO of the finest items in the British Rail Pension Fund's collection have been put on show at the Victoria and Albert Museum. They are Picasso's "Blue Boy," bought in New York a year ago for £1m, and Renoir's "Portrait of a Young Girl," a pastel, also bought in New York for £1m.

The Pension Fund, advised by Sotheby's, has invested nearly £20m in art treasures over the past few years.

Message by TV system unveiled

BY MAX WILKINSON

THE POST Office yesterday unveiled a communications system linking the domestic television set and a simple keyboard to the telephone network.

Subscribers will be able to communicate by typing messages on to each other's television screens. The messages go from the keyboard to a central computer which will re-route the words to be displayed on the recipient's television set.

The Post Office says that the system will be particularly useful for deaf people. However, it also has a large range of commercial and office uses.

The system, still at the prototype stage, is a development of the experimental Viewdata service which allows people to use a modified television set and the telephone to extract information stored in a central computer.

In a trial service starting this summer, subscribers will have access to some 60,000 pages of information.

Computer

The service will cover news, sport, financial and stock market data and information on cars, houses and holidays.

It is envisaged that subscribers will pay a local telephone call charge for using the system. They may also be charged by the providers of the information, but these details have not yet been settled.

Viewdata will, in principle, allow every home or office to have a computer terminal for the price of an adapted conventional colour television set.

Mr. Peter Benton, the GPO's new managing director of telecommunications, said yesterday that he was confident that a public service, allowing access only to the computer would be started next year.

Earl Mountbatten of Burma yesterday commemorated the first demonstration of the television in the U.K. made at Osborne House, Isle of Wight, by Alexander Graham Bell to Queen Victoria 100 years ago.

Lord Mountbatten spoke by transatlantic line to Mrs. Lillian Grosvenor Jones, Bell's granddaughter. Afterwards, Viewdata messages were exchanged between Osborne House and the British Embassy in Washington.

The mile wins a reprieve

THE English mile appears to have been given a reprieve. Mr. William Rogers, the Transport Secretary, told Parliament yesterday there was no possibility of road signs being changed to kilometres before 1985.

Technically, Britain is under obligation by the treaty of accession to the EEC to review metrication of distances next year, but the Department of Transport is heavily playing down the possibility of a switch. Ways of escaping the treaty obligation will be explored.

Air fares talks

The world's major airlines flying the North Atlantic met in Geneva yesterday to try to fix new low fares to compete with the Skytrain service. The meeting is expected to last several days.

Tax plan attacked

Mr. Nicholas Goodison, Stock Exchange chairman, said the 20 per cent relief from Capital Transfer Tax for minority shareholders, which the Chancellor foresees abolishing in his October budget, would discourage companies from going public.

Co-op honour

Sir Arthur Sugden, chief executive of the Co-operative Wholesale Society, has been elected president of the Co-op Congress for 1978, the movement's highest honour.

BSC-union pact on Board plan

BY CHRISTIAN TYLER, LABOUR EDITOR

THE LOSS-MAKING British Steel Corporation has achieved a breakthrough in industrial relations by winning union agreement in principle for a tripartite Board and a new consultative and negotiating structure.

At a secret meeting held at Lake Windermere, union leaders agreed to set up working parties to develop what Sir Charles Villiers, BSC chairman, has called the "steel contract".

The idea is that in exchange for involvement at all levels in the strategic planning of the corporation, unions would co-operate in long-term productivity improvements, some devolution of wage bargaining to local level, and the corporation hopes, a lessening of inter-union tensions.

These are long-term reforms, for the early 1980s, and are separate from the discussions now going on at local level about early closure of high-cost steel plants and lower manning across the industry.

Under the proposals, a new supervisory policy board would be created, composed of worker-directors, a management-Government team, and business representatives.

Some of the existing worker-directors from divisional Boards would probably be included in the policy Board.

Alongside would be a national consultative body, the steel council, with about 100 members, 70 of them from the unions. This would be the top tier of a structure with reformed divisional and works councils.

The recently-expanded TUC steel industry committee would act as the steel council's executive arm.

BSC has failed to persuade the unions to use the steel council as a central negotiating body.

Because of this and the inter-union arguments about representation on the expanded TUC committee, progress on the "steel contract" has been much slower than Sir Charles envisaged when he took over in September, 1976.

Nonetheless, the step-by-step approach of the new management to BSC's industrial relations and economic problems appears to be bearing fruit.

The corporation has now persuaded the unions not only to tripartite supervisory policy Board would be created, composed of worker-directors, a management-Government team, and business representatives.

Some of the existing worker-

Firemen face rows over work in strike

By Alan Pike, Labour Staff

RECRIMINATION arising from the two month long strike will begin immediately after today's Fire Brigades Union delegate conference, which is expected to call off the action.

Disciplinary proceedings against union members who have worked during the stoppage will begin as soon as there is a return to work. This was a threat made by the union last night as delegates began arriving for the conference.

In four brigades, London; West Midlands; Tyne and Wear; and West Yorkshire, the union has closed-shop agreements, and disciplinary action which led to expulsion would put non-strikers' jobs at risk.

Local authority employers will watch the progress of the proposed disciplinary proceedings closely, since the peace settlement which delegates will be asked to endorse today contains a clause stipulating that there should be no retributions.

It is expected that delegates will adopt the proposed new peace formula, giving firemen comparable pay to skilled manual workers in the industry by November, 1979, by a majority of up to three to one.

Hailwood peace bid fails

By Philip Bassett, Labour Staff

ATTEMPTS to set up talks between Ford management, shop stewards and union officials to settle the unofficial strike by 1,000 men at the Hailwood car plant on Merseyside failed yesterday.

The body plant press shop strikers—whose action over new work schedules and practices has caused 8,000 men to be laid off and stopped production of Escorts—met again next week, but no further management efforts are planned.

Fresh efforts will be made today to settle Merseyside's other car dispute, the 11-week strike by 2,000 men at British Leyland's factory at Speke.

Production at Ford's Dagenham plant was back to normal yesterday after a strike by 150 workers over the sacking of a shop steward. Most of the men went back to work after Ford management sent them telegrams urging them to end the strike.

Move to end Brent oilfield pay protest

By Our Labour Staff

UNION OFFICIALS are flying out from Aberdeen today to the Shell-Esso Brent "B" oil platform off the Shetlands to try to settle a dispute over back-wages involving 90 construction workers.

The men, who have been sitting in since Saturday on an exploration rig moored alongside the platform, work for the Aberdeen-based company of P and W Offshore Services, which last summer was awarded a £7m contract for construction and production hook-up facilities on Brent "B."

Mass meeting at Swan Hunter

A MASS meeting of Swan Hunter's 1,700 outworkers—their first for six weeks—has been called for today at Wallsend, raising hopes that the men might decide to lift the five-month overtime ban and still save part of the Polish ship order for the Tyne.

The decision to call the mass meeting followed another day of talks yesterday between management and shop stewards.

Mersey dock strike ends

By Our Labour Staff

LOADING and unloading of cargo ships in Liverpool docks will resume this morning after a mass meeting of dockers voted yesterday to end their unofficial strike in a dispute over Christmas absenteeism.

About 4,000 of the total 7,000 dockers involved decided yesterday to accept a new peace formula from the port employers. The strike began on Monday.

TUC seeking tax cut for all

BY CHRISTIAN TYLER

THE TUC yesterday reaffirmed its demand for the reintroduction of a reduced rate band of income tax—a proposal that has every chance of being met by the Chancellor of the Exchequer in his Spring Budget.

Both the nature and the size of this tax reduction sought by the TUC square with the Chancellor's own Budget thoughts.

The TUC, as part of a £8bn. reduction of the economy, wants a £2.1bn. income tax cut in the form of a 25 per cent. tax rate on the first £1,000 of taxable income.

With the standard rate now 34 per cent—the highest starting rate in the world—that would mean a £100 a year cut for all 21.4m taxpayers.

It would not mean automatic adjustment of the tax bands, unless the Chancellor decided to adjust those too. At present taxpayers leave the standard rate at £8,000 a year.

The TUC argues that the other method of hiring the low-paid to escape the so-called poverty trap—by raising the personal allowances and thresholds—has already been used twice in the past 13 months, and has been reinforced by the Rooker-Wise amendment to the last Finance Act.

It now wants to level down the incidence of tax for those left in the tax net.

The decision to press for a reduced rate band at a meeting with the Chancellor later this month was taken at a meeting of the TUC economic committee, which was considering its annual economic review.

But there was no discussion of pay at the meeting, despite the Prime Minister's recent advocacy of 5 per cent. settlements for the next wage round and the ideas for permanent incomes policies floated by the Chancellor and other Ministers.

The economic review itself is unlikely to contain any assessment of collective bargaining developments over the year or even to re-state the TUC's policy commitment to free collective bargaining. Mr. Ken Gill, general secretary of TASS, the white-collar section of the Engineers' union, raised the point yesterday, but it was not taken up.

The other £1bn. of reduction sought by the TUC comprises mainly demands for the extension of the Temporary Employment Subsidy, due to expire on March 31, and the widening of the £20-a-week job expansion subsidy, which at present is confined to small firms in special development areas.

Also on the list is an increase in retirement pensions on top of their annual adjustment for inflation, and a special increase in the child benefit.

The economic review will be published after next month's meeting of the economic committee and general council, and will take into account the Government's public expenditure White Paper this afternoon.

Scots Labour conference to debate jobless policy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

DEMANDS that the Government take immediate steps to reduce unemployment, and calls for a cut in the working week to 35 hours, seem likely to dominate the Scottish conference of the Labour Party to be held in Dumfries in March.

Four trade unions—the engineers, electricians, transport workers and railmen—will head the call to an "alternative strategy" to reduce the number of unemployed. Unemployment in Scotland is now 8.1 per cent, and has been rising against the U.K. trend.

In resolutions published yesterday, the Amalgamated Union of Engineering Workers records its concern at the unacceptably high level of unemployment, particularly among young people, and calls on the Government to return to the 1974 manifesto commitment to "an irreversible shift of land to use the conference to launch a year-long internal debate on a Scottish Assembly."

Mrs. Helen Liddell, Labour's Scottish Secretary, said yesterday that a statement of intent would be published by the Scottish Executive before the conference, providing the background to the call for a shorter week, for a detailed manifesto for the demand early retirement, work-first Assembly elections, due in sharing with no loss of pay, and spring next year.

Vote for pit incentives likely

BY PAULINE CLARK, LABOUR STAFF

PROSPECTS mounted yesterday 60,000 miners. In the previous national pit-head ballot on the issue of mining incentive schemes, the area voted 77 per cent against introduction of production bonuses in the collieries in the Darnley area.

On the first day of the new two-day ballot, South Wales miners' leaders announced that they would postpone their decision on the issue until next week.

Although the prime reason was said to be lack of sufficient information on the scheme at present, it was clear that the miners preferred to wait until the results of the Yorkshire vote. This is not expected to be held until next Monday, however, because of the need to transport the ballot papers from Yorkshire to London for counting by the Electoral Reform Society.

In addition, the past two days have seen four more collieries in the Darnley area making applications for the introduction of incentive schemes. This has raised the total number to have either formally or informally expressed interest to nearly 50. There are 66 collieries in the Yorkshire area employing about 200,000 miners.

If Yorkshire backed down, South Wales would be unlikely to stand alone against the scheme and in defiance of the executive of the National Union of Mine Workers which has decided to allow the introduction of productivity deals on an area basis.

Mr. Arthur Scargill, the Yorkshire area's left-wing president, has said he will not make another recommendation for rejection.

This, coupled with a question to the ballot on whether miners who vote against the scheme will be prepared to take industrial action, is expected to contribute to a significant swing in favour of going along with the policy adopted by miners elsewhere in the country.

PARLIAMENT and POLITICS

Think Tank proposals criticised by Soames

By Reginald Dale

A COMMONS Select Committee yesterday heard sharp criticisms of the controversial Think Tank report on Britain's overseas representation from two former senior ambassadors.

Sir Christopher Soames who served in Paris from 1968-1972 and Sir Fred Warner, Britain's Tokyo representative from 1972-1975 clearly felt that the youthful team responsible for the report had little experience or understanding of how diplomacy worked in practice.

Sir Fred, now prominent in business and city circles, attacked the report for assuming that the Diplomatic Service lacked expertise in export promotion. In fact it was the main source of such skills.

Sir Christopher, former vice-president for external relations at the EEC Commission, said there was a good deal worth thinking about in the report. But the suggestion that diplomats based abroad could increasingly be replaced by people sent out for short periods from London was "beyond all mention."

Such visitors could have no influence in the country concerned, Sir Christopher said. In his experience, Foreign Office personnel were often more competent than people from home departments.

Both men criticised the proposal that a new unitary body should be created to oversee the country's numerous export promotion bodies under a Minister of State.

Sir Fred said that many people who criticised diplomatic entitlement misunderstood its purpose. They did not appreciate it was an extension of the diplomat's work in trying to get close to the people he was dealing with.

Professor James Barber, Professor of Political Science at the Open University, told the committee in written evidence that the report was critical of three broad assumptions underpinning the report. These were the degree of concentration on economic achievement, making it virtually the sole criterion for external activities, and the view that "power" and "influence" and the narrow interpretation of the national interest.

Tory MP beaten by 22 in closed shop protest

BY IVOR OWEN, PARLIAMENTARY STAFF

ANOTHER SKIRMISH over the closed shop yesterday ended in defeat for Mr. Ian Gow (C. Eastbourne) in his bid to introduce a private member's Bill to provide compensation for workers who are sacked for refusing to join a trade union.

His proposed Closed Shop (Compensation) Bill was rejected in the Commons by a majority of 22 (184-162).

Mr. Gow, who was supported by Mrs. Margaret Thatcher and other Conservative leaders in the lobby, again strongly criticised British Rail for sacking workers with long periods of service solely because they had refused to join a trade union. He stated that after concluding a closed-shop agreement with the rail unions, British Rail had embarked upon a programme of dismissals. In all, 40 employees had been dismissed, simply because they objected to joining a trade union.

Because the provision in the 1974 Trade Union and Labour

Relations Act giving an employee the right not to join a trade union on reasonable grounds had been repealed by amending legislation in 1976 such dismissals were regarded as fair.

There were cries of "Shame" and "Shocking" from the Tory benches when Mr. Gow underlined the fact that two of the men dismissed had served on the railways for more than 39 years. Another seven had worked with British Rail for between 13 and 19 years, and five had been engaged on the railways between 29 and 38 years.

"No fair-minded person could possibly believe that it is fair to dismiss, without compensation, a man who has carried out his duties to the entire satisfaction of his employer and to the entire satisfaction of his fellow employees," he declared. Mr. Gow said the terms of his Bill would provide that the dismissal of employees in such circumstances was unfair and that compensation should be paid to them. Some of the men sacked

by British Rail had been aged 59 or 60 and this had heightened their difficulties in finding other jobs.

Opposing the Bill, Mr. George Rodgers (Lab. Chorley) accused Mr. Gow of being "obsessed" with the closed shop and totally disinterested in the freedom of a worker to join a trade union if he so desired.

The only freedom in which Mr. Gow and many of his colleagues believed was that which would allow unscrupulous employers to maximise their profits through low wages and poor working conditions, he alleged.

The proposals in the Bill would be a boost for the "free loaders" who were prepared to accept all the advantages secured by the struggle and sacrifice of their workmates in trade unions.

Mr. Rodgers accused Conservative MPs of being selective in their concern over the closed shop. They said nothing about the position in the medical and legal professions. Even though Conservative policy on the trade unions seemed to vary from week to week, there was no indication that it was intended to introduce legislation to ban the closed shop.

Stressing that the closed shop had long been part of the industrial scene in Britain, Mr. Rodgers reminded the Tory benches that it was preferred by a great many employers as well as trade unionists.

The proposed Bill would wreck the prospects for wide-ranging industrial agreement and would prove to be a recipe for industrial chaos.

Judge motion 'not abuse of Commons procedure'

BY IVOR OWEN

A COMPLAINT by Mr. Nicholas Ridley (C. Cirencester and Tewkesbury) that the Parliamentary motion signed by 71 Labour MPs calling for the dismissal of Judge Neil McKinnon constituted an abuse of the procedure of the Commons was rejected by the Speaker, Mr. George Thomas, last night.

The Speaker said that the motion was "entirely within order."

Mr. Ridley argued that the motion tabled in the wake of Judge McKinnon's controversial summing-up in the "niggers, wogs and coons" case was in conflict with the concept that the House should not seek to interfere in a judicial judgement.

It related, he said, to a specific judgement—and there was a suggestion that it was a criticism against the conduct of a judge over a period of years.

Mr. Ridley contended "If Judge McKinnon had incurred criticism because of his personal or private behaviour over a long period of time, this would be a proper procedure for the House to adopt. That is not the case."

He claimed that the issues involved where of such fundamental importance that the matter should be referred to the House of Commons Procedure Committee.

If such motions became a regular feature, he suggested it would be possible to hector, bully, criticise or threaten a Judge with dismissal on the occasion of any judgement that did not meet with the favour of MPs in all parts of the House.

After stressing that the motion was in order, the Speaker pointed out that the question of a reference to the Committee of Procedure could itself be the subject of a motion.

Dog wardens plan studied

THE SETTING UP of dog warden schemes is being urgently studied, Mr. Denis Howell, Environment Minister of State, said in the Commons yesterday.

He told MPs that he was looking at the idea following the report of the working party on dogs, which recommended that dog warden schemes be operated at district council level. An announcement on the report would be made soon.

Need for Ulster confidence stressed

BY PHILIP RAWSTORNE

MR. ROY MASON, Northern Ireland Secretary, yesterday emphasised that the future of the province has a British Government responsibility.

In an indirect reference to Mr. Jack Lynch's call for a united Ireland, Mr. Mason said that the Government had sought to establish confidence in Northern Ireland in its determination to do everything possible for the economic and security benefit of the province.

It is not helpful if other outside the U.K. make comments which have the effect of damaging that confidence.

Mr. Mason, speaking at a lunch given by the American Chamber of Commerce in London, was applauded for his remarks.

He said that the basis of political change in Northern Ireland depended on the willingness of the parties to work together. "I cannot foresee that this will happen in 1978 but I sincerely hope that it does."

He added: "It is the Government's policy to establish a devolved administration in Northern Ireland which will have real powers. To achieve this, as parties must work together to an understanding and respect for their differing points of view."

Mr. Mason said that the "severe reduction" in the flow of money and material from IRA sympathisers in the U.S. had been an important contribution to the improved security situation in the province.

Northern Ireland now presented more industrial investment advantages than anywhere in the EEC, he said. Sectarian troubles were not brought to the factory floor. Industrial relations and productivity were the best in the U.K. and the province could offer more generous and flexible incentives than any other area in Europe.

Official Unionist leaders are to meet in Belfast tomorrow to review their decision to withdraw from the talks with the British Government after considering Mr. Mason's statement in the Commons today on the issue.

The Northern Ireland Secretary, in answer to questions, is expected to reiterate his criticism of Mr. Jack Lynch's intervention and to reaffirm the main lines of the Government's policy.

Unionists are likely to demand that future talks should be restricted to forming a new upper tier of local government in the province to which the Social Democratic and Labour Party would be opposed.

Our Belfast Correspondent writes: Ulster's Roman Catholics have had a raw deal in jobs compared with the Protestant majority, according to a research paper published by the Northern Ireland Fair Employment Agency.

The agency set up last year in a bid to eliminate religious and political discrimination in jobs, says that the level of unemployment experienced by Catholics was two-and-a-half times greater than that found in the Protestant community.

Mr. Bob Cooper, chairman of the agency, said that the research had identified the problem. That was the first step towards finding out how to solve it.

Of the 19 financial clauses, only one had been debated before the guillotine was brought down at 11 p.m. on Tuesday. The result was that when the committee stage resumed yesterday Mr. Michael Foot, Leader of the House, who is in charge of the Bill, faced a barrage of criticism, not least from his own backbenchers.

It was pointed out that when the legislation goes to the House of Lords, the peers will not be able to amend the clauses because they deal with financial matters. MPs were also disturbed at the implications for the referendum, which will be held once the legislation is approved.

They wanted to know how the Scottish electorate could possibly understand what it was voting on if the financial heart of the Bill had not been adequately debated in public.

They wanted a promise that there would be a chance to debate the financial clauses at a later stage of the committee. But Mr. Foot told them that no more time could be added to the 14 days allowed for debate under the guillotine. He would only say that the subject could be raised in the business committee which decides the way that the Bill should be debated under the

Growing power signals confrontation MPs find strength through truculence

BY RUPERT CORNWELL



Mr. Michael Foot: A reverence for the chamber of the Commons.

"ONCE IS happenstance, twice is coincidence. The third time is enemy action." The Government today must be anxiously reflecting along the lines of that celebrated aphorism, coined by the late Ian Fleming, as it wenders how to react to an unprecedented challenge to the political executive in Britain.

Had the demand of a Commons Select Committee to see confidential correspondence relating to the financial plight of the British Steel Corporation been an isolated incident, Ministers might have been able to shrug it off. The signs are, though, that it is not.

The frustration and anger felt by the MPs at the obstacles placed in the way of their inquiry into the affairs of BSC contain the germs of a constitutional confrontation which could, and one must emphasise the word "could," redefine the traditional relationship between legislature executive and Whitehall.

It is a confrontation which has been implicit in a recent pattern of more truculent behaviour by Parliament, culminating in the successful all-party rebellion to force a public inquiry into the Crown Agents scandal, against the wishes of the Government.

To-day, the existing balance between the Commons is little more than a rubber stamp of Cabinet decisions looks less wise than for a very long time.

The origins of this fascinating state of affairs can be traced back to the autumn of 1975, when Mr. Michael Foot, Leader of the House, was trying to railroad through Parliament five controversial Bills at the same time.

His use of Commons procedure was reckoned then to have been even more cynical than that of the Conservatives, a few years earlier, over the European Communities Bill.

Finally, however, as the standing of Parliament in the eyes of the public continued to ebb, the fragile edifice gave way to two Labour MPs decided that enough was enough. With hindsight, the decision by Mr. Brian Walden and Mr. John Mackintosh to obtain a key division—resulting in the enactment of the Dock Work Regulation Bill—probably marked the resistance movement's beginning.

The power of individual MPs had been dramatically illustrated, and within a month or two the remaining power of the single party machine disappeared as Labour lost its own majority.

Figures like Mr. Frank Maguire, MP from Fermanagh and South Down, assumed a vital role in the Government's Parliamentary arithmetic. Inexorably, the Lib-Lab pact followed and promised measures vanished along with the Commons majority.

Undoubtedly, also, the rebellious instincts of MPs were encouraged by the fact that practically the only major Bills to survive were constitutional. On these, backbench trouble is not to be expected and almost invariably occurs as shown by the collapse of the first devolution Bill at the hands of 43 Labour dissenters. With the Crown Agents, the slumbering Parliamentary lion rubbed an eye. Over BSC, it has perhaps shown its claws.

Nevertheless, there is still a long way to go before Parliament claim any lasting victory. The first impediment, of course, is the Government itself, which still exerts massive control.

The agency set up last year in a bid to eliminate religious and political discrimination in jobs, says that the level of unemployment experienced by Catholics was two-and-a-half times greater than that found in the Protestant community.

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control over the business of the Commons, buttressed by the personality of Mr. Foot.

"Michael is a dear friend, but from the past, when Select Committees have at times seemed to fall over themselves not to describe the Leader of the House, who can be confidently expected to oppose any shift in more problematic."

What the MPs have done is to recommend "that an humble Address be presented to Her Majesty that she will be graciously pleased to give directions that there be laid forthwith before this House by the Secretary of State for Industry a Return of all papers relating to the future prospects for the British Steel Corporation."

In essence, these flowery phrases mean that the committee has to secure the endorsement of the House before its demand can be met.

This time, the Commons may have its way, although the Department of Industry is trying to work out an acceptable formula, and Tory support will be vital for the pressure to succeed. But to cut the process short, many MPs are attracted by the American practice of giving Select Committees the power directly to subpoena witnesses and evidence they require. Such a proposal has been looked at by the Procedure Committee, which is due to report this year on ways of improving the workings of Parliament, but a general point, with its demand to see letters exchanged over the past two years between industry Secretary, Eric Varley, and Sir Charles Villiers, of the British Steel Corporation, which, it believes, could answer the riddle

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Time for devolution Bill 'a scandal'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MPs ON both side of the Commons last night combined forces in a furious attack on the Government over the issue of debate on the crucial financial positions of the Scottish devolution legislation.

They claimed that it was an "absolute scandal" that on the previous day almost the entire financial section of the Scotland Bill had gone through the committee stage without MPs having the opportunity to discuss individual clauses.

Of the 19 financial clauses, only one had been debated before the guillotine was brought down at 11 p.m. on Tuesday. The result was that when the committee stage resumed yesterday Mr. Michael Foot, Leader of the House, who is in charge of the Bill, faced a barrage of criticism, not least from his own backbenchers.

It was pointed out that when the legislation goes to the House of Lords, the peers will not be able to amend the clauses because they deal with financial matters. MPs were also disturbed at the implications for the referendum, which will be held once the legislation is approved.

They wanted to know how the Scottish electorate could possibly understand what it was voting on if the financial heart of the Bill had not been adequately debated in public.

They wanted a promise that there would be a chance to debate the financial clauses at a later stage of the committee. But Mr. Foot told them that no more time could be added to the 14 days allowed for debate under the guillotine. He would only say that the subject could be raised in the business committee which decides the way that the Bill should be debated under the

guillotine. From the Opposition front bench, Mr. Francis Pym, shadow leader of the House, declared: "What is happening here is a procedure which is quite literally unacceptable and unjustifiable. The Government has, in fact, caused parliament to let the United Kingdom down. As a result, it said, vital matters in the Bill are now unamendable and could not be discussed in either the Commons or the Lords."

A similar line was taken by Mr. George Gardiner (C. Reigate) who said: "It seems absurd that it can go through this House without any discussion at all. What on earth are we doing?" He called on Mr. Foot to reconsider his attitude and said: "It is an absolute scandal, what is happening to this Bill."

Mr. George Gardiner (C. Reigate) thought there was a danger that a similar situation would arise if the House of Lords rejected the Bill. He said: "The Bill will be a disaster if it is not amended."

He said: "The Bill is a disaster if it is not amended. It is a disaster if it is not amended. It is a disaster if it is not amended

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

POWER

Smoothing out the fault currents

WITHIN the next two to three months, tests will begin on a prototype of a fault current limiter which is probably the first proposed fully commercial unit to use superconductive elements as a matter of routine.

A fault current limiter is a device which will prevent unwanted power surges from propagating through a network or between one system and another and thus will make interconnection and reinforcement of grids much easier to achieve at reasonable cost, even when very high currents are involved.

The alternative of replacing or modifying switchgear is extremely expensive and, until the new development by Parsons Peebles, the use of fault limiters based on saturated iron cores demanded heavy dc current for the bias windings if they were to be employed on high power systems.

Superconductivity, in which certain alloys drop to virtually nil resistance at low temperatures, is employed in the new design of the iron cores economically.

The limiter will effectively absorb supply voltage that overcurrent does not occur and do this smoothly—in contrast with stepped impedance switching—as the spike occurs so that faults are levelled out down the line. The spike itself, by overcoming the biasing voltage which keeps impedance low, causes impedance to rise and thus cancels itself out.

The superconducting winding is vacuum-impregnated with epoxy resin and in its cooled state has zero resistivity and the

ability to carry a large current without power loss. The power supply is a current source.

Liquid helium is supplied in a closed cycle to a suitable refrigerator and helium gas resulting from boiling during operations is returned to a suitable compressor which feeds the refrigerator.

A storage tank would supply enough helium for unattended operation of one week, should the refrigerator system develop a fault, giving ample time for servicing.

The cryogenic technology is from International Research and Development, one of the company's associates, which has been working on superconductors and helium cooling for at least 15 years and has supplied a number of important experimental units, later sold, to the Generating Board.

IRD and Parsons Peebles collaborated with Mr. E. C. Parton, a director of Philips—trading as Advanced Computer Services—who was responsible for the basic concept.

What Parsons Peebles expects the equipment to offer is freedom to reinforce supply with extensive interconnection without at the same time introducing many more incidents of fault currents and reinforce security of supply without the need to update switchgear etc.

It should be a boon in such fault-prone areas as New York State where "brown-outs" if not total power failures, appear to be a fact of life.

Further information on this significant development which has a considerable export potential, from Parsons Peebles Power Transformers, East Piton, Edinburgh EH5 2XT. 031 552 6261.

COMPUTING

IBM at the small end

OFFICE Products Division of IBM United Kingdom has two new models in the Office System 6 range—the IBM Office System 6/452 and 6/442.

They will print carbon copies and multi-part forms, and handle special weights and sizes of paper and provide an impact printing alternative to the ink jet printer available with the Office System 6/450 and 6/440.

The new equipment is capable of producing, storing and distributing typed and printed material with minimum delay and effort. Both systems combine formatting and revision features with an impact printer.

They also process information, sorting facts and statistics into reports quickly and simply. They can take care of administrative processing, amending, updating, sorting and re-arranging information as well as the routine office correspondence and memos.

A communications facility permits the rapid distribution of prepared text and information where needed, over telephone lines. One Office System 6 can communicate with another to exchange information, or to print in local offices a text prepared centrally. It can also link to suitably programmed IBM System/370 computers to gain access to files and information, or to serve as an output device where quality printing is required.

In Atlanta, U.S., General Systems Division has introduced an improved version of the company's portable (just) desk-top machine under the designation 6110.

IBM said the unit could be used in business applications, such as general ledger and accounts payable.

It is available with four main storage capacities, two storage media, and two programming languages and costs between \$9,575 and \$32,925.

More from IBM (U.K.) on 01-633 6500.

COMMUNICATIONS

Tiger on phone watch

FIRST hotel version of Minster Automation's Tiger (Telephone Information Gathering for Evaluation and Review) has been installed by the London Hilton.

Hotel Tiger is minicomputer-based and is connected to the hotel's telephone exchange. It monitors activity on each of the hotel's 509 guest room extensions. When a guest dials an outside call, Tiger automatically begins charging on connection. When the call is complete, the processor calculates the total cost of the call and records, on disc, the room number, the time the call commenced, the number dialled, the time the call was connected, the time the call was

WELDING

Manipulator for electron beam welder

TORVAC is now offering a heavy duty precision work manipulator with headstock and tailstock as a standard option on its range of electron beam welders. It can also be fitted to machines already in service.

The headstock alone will take an overhang load of 25 kg. and has 25 mm. adjustment in both X and Y axes. In conjunction with the optional supporting tailstock it can drive and support loads up to 50 kg.

Mounted outside the vacuum chamber, the headstock has a collet on an extendable 25 mm. diameter shaft, with 150 kg. axial load capacity. The tailstock can be wound in and locked at any position across the chamber. Run out between centres is within 0.05 mm.

The manipulator is driven by a variable speed, feedback control, motor-mechanism, interchangeable with a more powerful motor if higher torque is required (for example, when handling heavy asymmetrical loads). A load cell can be fitted to measure axial load applied to the workpiece.

Details from Torvac, Histon, Cambridge, CB4 4HE (02203 2646).

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SERVICES

Testing jet engines

BASED AT Stansted Airport is a small company which has developed a highly specialised service in the aircraft maintenance field.

Kearley Airways repairs, rebuilds and brings back to original specification aircraft hydraulic, pneumatic and electric components, ranging from navigation lights and alternators, to control surface servo-ramers and landing wheel legs.

Parts for every type of aircraft are serviced, both military and civil from many countries, and the rebuilt equipment has to pass rigorous inspection to meet the various authorities' standards.

Much of the test equipment, and machines for renovating the components, were developed and built by the company, and the expertise this has provided in the control and measurement of high pressure oil flows, for example, has led to a "built-to-order" service for special test machines for aircraft maintenance.

The company can now build a range of fuel control system test stands, as well as machines for applying tests to hydraulic equipment. A test stand for fuel pumps and flow dividers (some what like a direct injection fuel system on a car) requires full instrumentation with up to 20 meters, and costs between £25,000 and £30,000.

One of the latest units, completed this week, is a rig for testing pressure and flow on a ring of 16 jets feeding fuel to Rolls Royce Gnome jet engines. The machine measures the volume of flow through each jet in turn and checks the pattern angle from each nozzle.

Accuracy of flow measurement must be within 1 lb/hr, as the permitted variation between jets is only 2 lb/hr. Used for engine maintenance on helicopters, this rig costs about £3,000.

Details of the service and the test machines from Kearley Airways, Stansted Airport, Stansted, Essex (0279 812132).

MATERIALS

Coating cuts corrosion

DAMAGE CAUSED by erosive and corrosive fluids can, it is claimed, be prevented with a coating developed by Belzona Molecular Metallife.

Steel, the coating consists of a resin containing a high proportion of microparticles of steel encapsulated in silicon. The resin is mixed with a hardener and applied as a paste to areas subject to wear such as pipe bonds, nozzles, pump blades, impellers, etc.

The coating, said to be so tough it will wear down carbide tipped cutting tools, is unaffected by extremes of temperature, can be used on damp surfaces, and does not conduct electricity. Patents have been applied for in the U.K. and U.S.

Details from the maker, Cloro Road, Harrogate, North Yorks. (0423 67411).

INSTRUMENTS

Boat hull thickness test

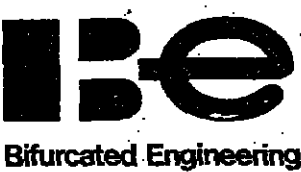
VARIATIONS IN the density of glass fibre reinforced plastics which can cause structural weaknesses in boats can be measured with an ultrasonic thickness gauge developed with the assistance of surveyors of Lloyds Register of Shipping and offered in the U.K. by Teledictor, Conecroy Industrial Estate, Tipton, West Midlands DY4 8YB (021-557 3056).

According to Teledictor, the unit is proving an invaluable aid in removing what has been described by builders of GRP boats as "the haunting fear that somewhere along the line a ply or two of laminate has inadvertently been omitted."

Called the Panametric Model 5237, it consists of a portable (four lb) recording unit with connecting cable and transducer. Battery life is eight hours, and the unit can be run from its external charger while the battery is being recharged. It appears as a digital readout.

The gauge operates similarly to a depth sounder and working on the pulse-echo system its transducer responds according to the duration of the electrical impulses. The transducer converts the electrical energy into vibrations which are transmitted as sound waves through a "coupling" liquid such as glycerine, oil or water.

Sound waves travel through the material and are reflected from the back surface. The transducer receives the reflected sound waves and converts the time taken by them into a measurement of thickness which appears as a digital readout.



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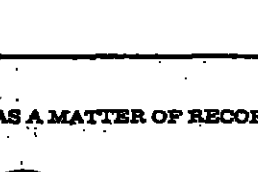
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THE JOBS COLUMN

Index-linked dilemma • More about recruitment code

BY MICHAEL DIXON

CIVIL SERVICE appointments with inflation-proofed pensions are evidently not the most desirable jobs on the public payroll after all. I have just discovered the existence of roughly 900 posts now within the State sector that carry index-linked pay.

They belong to staff of a pair of the two dozen industrial training boards which, effectively since 1973, have had their wage and other administrative costs paid from taxpayers' funds. But the story behind the unusually plush working conditions starts farther back, in 1973, when the boards in general were still financing their activities by raising a levy—part of which was returned in grants—from concerns within their particular industries.

At that time morale in the ITB's seemed extremely low because under the distinctly chilly eye of the Conservative Government they were worrying about whether they were going to survive.

But about 800 staff in the Road Transport Industry Training Board, and some 120 others in the counterpart for the furniture and timber industry clearly did not let the depression get on top of them. For they upped and negotiated with their res-

pective governing councils, which include representatives of employers as well as of trades unions and education, what I gather are legally cast-iron contracts including index-linked pay. In the case of the outstandingly ambitious road transport board at least, there is provision for twice-yearly adjustments based on the positions in June and December.

Now, the salary levels prevailing in the two boards were not the same—each ITB set up its own pay structure mainly reflecting the conditions of the industry for which it is responsible—and neither are they known to me. But it seems safe to say that over the two years following the successful negotiations the two progressed to being among the best paying of their kind, although staff of the transport organisation were, and almost certainly still are, better off than their furniture fellows.

With the re-arrival of incomes policy, however, the respective governing bodies decided to suspend the index-linking arrangement. And that was the state of affairs in 1975 when, seemingly with little notion of the potential trouble it was in-

heriting, the Training Services Agency arm of the publicly funded Manpower Services Commission took over responsibility

for the ITB's and, in effect, the financing of their pay bills. Whether the agency remained unbothered about the unique existence of getting on for a thousand of its new employees during phases one and two of the incomes policy, I cannot be sure. But it knows all too well about the problem now.

For with the replacement of incomes policy by pay "guidelines," it seems that the staff of the two boards have a scrupulously legal claim, under the terms of the contracts, not only for the reactivation of the index-linking arrangement, but also for the restoration of the increases in pay levels foregone during the period while it was suspended.

Suddenly, therefore, the Training Services Agency finds itself faced with claims for rises which I hear total around 40 per cent, plus of course whatever the index calculations say should be added in future.

With inevitably sensitive negotiations still in progress, nobody can yet say what the outcome will be. The agency would naturally like the staff of the two boards to agree to give up the linking arrangement and, in all honesty, it seems to have a fair argument.

When the staff entrepreneurially negotiated the arrangement

they were employed in a relatively entrepreneurial position. Their boards had to finance themselves, and their continued existence was by no means secure. With the transfer of the boards to the domain of the Training Services Agency, however, their staff gained the high security of employment which typifies the public sector.

But if the staff were to insist on the letter of their contracts—which would of course thrust them greatly ahead of the pay of their counterparts in the other ITB's—it is hard to see what might usefully be done either by the Manpower Services Commission, governed directly by a 10-strong body including

three representatives from each of the Trades Union Congress and the Confederation of British Industry, or by Mr. Albert Booth, the Secretary for Employment who speaks for the commission in Parliament.

I suppose that driven hard against the wall, the commission might be able to declare cash limits to the running costs of the boards concerned, so level. And about a dozen more responses arriving since have echoed the same sentiment.

So there can be little doubt that secrecy on the part of the advertisers about salary levels is another fairly common habit which discourages a good many

potential candidates, as this recruiter to find that the necessary kind of worker just won't come, except at a salary premium which would set the company at loggerheads with all its comparable existing staff, to whom it could not afford to give comparable rises, pay-guidelines being secret about salary might not be the perfect solution, but it is an eminently understandable one.

So while it would doubtless be desirable for the giving of an indication of pay level to be provided for by the ideal code of practice, I do not think it any practicable to include such a clause when to be successful, anyone or any organisation to suggest they will be.

The answer to those pessimists is simple. The code takes the form of a two-way agreement, so any applicant who breaks the provisions of the candidates' side automatically frees the recruiting concern from the obligations of the other side. And to my mind, a candidate who preferred to ill-treat the recruiter rather than benefit by the code's guarantees, would hardly be worth employing anyway.

Fortunately, however, the bulk of the comments I have so far received on the proposed code of practice have been firmly in favour of it.

Grouses

WHEN I printed and discussed the Institute of Personnel Management's proposals for the code of good recruitment practice in last week's Jobs Column, I had some hopes that it covered all the grounds for major mutual grouching between candidates and recruiters. I should, of course, have known better.

It took only 24 hours for the hope to be shattered. "I would like to add a plea for job advertisements to give an indication of salary," said the first letter I opened on Friday. "It seems to me a waste of time for both applicant and recruiter if an applicant, in ignorance of the salary offered, replies to an advertisement for a post which is either above or below their level." And about a dozen more responses arriving since have echoed the same sentiment.

So there can be little doubt that secrecy on the part of the advertisers about salary levels is another fairly common habit which discourages a good many

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bonnes possibilités d'avancement dans ce groupe dynamique.

Il sera âgé d'au moins 35 ans, aura un diplôme professionnel, à savoir un ACA ou DECS, et parlera couramment l'anglais et le français. Il doit posséder une expérience de la comptabilité dans l'industrie de transformation et être un gestionnaire résolu mais souple, capable de diriger mais sachant aussi comment déléguer.

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Long established quoted wine shippers with products known throughout the world wish to appoint a Financial Controller. The initial task will be further development of group budgetary control and management reporting systems. Later, responsibility will cover all aspects of finance and in addition it is expected that the successful candidate will become Company Secretary in about 18 months' time. Career prospects are excellent.

Candidates must be qualified accountants with at least 5 years' experience in a commercial organisation. Age should be less than 40 and knowledge of a latin language will be an asset.

Initial salary will be about £9,500. Other benefits include a contributory pension scheme.

Candidates of either sex should apply in confidence giving personal details and an outline career history, quoting reference FT/18/F, to:-



Turquand, Youngs & Layton-Bennett, Management Consultants, 11 Doughty Street, London, WC1N 2PL

FIRST-CLASS OPPORTUNITIES
available to qualified, student and experienced accounting personnel.
Contact Bob Miles or Brian Coggett on 01-428 2691.



GILT EDGE JOBBOING FIRM

requires Manager with good money market experience. Salary and terms negotiable. Please write Box A.6203, Financial Times, 10, Cannon Street, EC4P 4BY.

I HAVE EARNED ON AVERAGE £1,800 MONTHLY since leaving a similar job in 1975. I work hard and have a varied and interesting job working for Hambro Life Assurance. I need three top people to join me in London. Experience unnecessary but impeccable references essential. Reply with full C.V. Box A.5191, Financial Times, 10, Cannon Street, EC4P 4BY.

Degree + ACA? under 26?

A career in Oil

London, to £7,000

One of the largest UK oil companies requires 2 chartered accountants to be groomed for a responsible management career. The initial appointments, at their head office in London, will involve project accounting and internal consultancy, providing technical and commercial support to

their operations in the UK and overseas. Up to 25% travel can be expected and a foreign language would be useful. Excellent conditions of employment include a salary review within 6 months, non-contributory pension scheme, interest-free season ticket loans, and heavily subsidised lunches.

Mrs Indira Brown, Ref: 19076/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyle Street, W1E 6EZ

Hoggett Bowers

Executive Selection Consultants
BERMINSDHAM, GLASGOW, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD.

LEADING STOCKBROKERS

INVESTMENT ANALYST

We wish to recruit an Analyst to lead our established Textile Research Operation. The ideal candidate will be a graduate, or have a professional qualification, and will have had at least three years' relevant experience, of which some should preferably have been gained within the industry. The position involves regular contact with and visits to textile companies, and close liaison with the firm's institutional sales desk.

The remuneration and conditions of service will reflect fully the status of the post.

Write Box A.6204, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL SERVICES

(aged under 30)

AN ESTABLISHED COMPANY is seeking to recruit

TWO FURTHER EXECUTIVES.

This is a long term career project and full training will be given.

Starting salary circa £5,000 p.a. depending upon experience/qualifications

Please send brief details of current situation to:

Box A6197, Financial Times, 10 Cannon Street, EC4P 4BY

GROUP ACCOUNTANT

SALARY—£7,500 negotiable - CAR LOCATION—Kingston - AGE—30

We are retained by a Public Company to find a Chartered Accountant with experience of contracting. Basic duties would include: Overall responsibility for group companies accounting, preparation of monthly cash flow statements, production of annual accounts, consideration of standardisation of accounting procedures and implementation of recommendations. Contributory pension scheme. Four weeks annual holiday.

Applications to:

D. J. Cakebread, FCA
PITMAN CAKEBREAD & CO.
113 High Street, Hampton Hill, Middlesex TW12 1PF
giving details of career and salary to date

Chief UK Representative

Process Plant

£15,000

A representative role of this type makes particular demands on — and offers substantial satisfaction to — the individual concerned. This major Continental process plant contractor will appoint a Chief Representative in London to generate business, initially in the UK, but also throughout the English speaking world. A thorough familiarity with the structure of the process industries, and with the financing and contractual arrangements appropriate to large scale international projects, is a key requirement. The ability to operate independently up to the most senior levels in industry, commerce and government is also essential. We seek those, aged 35 at least, who have been involved in worldwide sales of

multi-2m engineering schemes; a degree or professional qualification is expected, as is conversational French. A pensionable career is envisaged within the multinational group. Remuneration freely negotiable around the figures indicated.

Personnel Services Ref: GM26,6250/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 0060 Telex: 27874



Approved by PA Personnel Services

LEADING U.S. INVESTMENT BANK

requires two or three U.S. stockbrokers for retail accounts.

Excellent compensation and working conditions.

Write Box A6199, Financial Times, 10 Cannon Street, EC4P 4BY.

EXPERIENCED MARKETING/LENDING OFFICERS

needed for work in a commercial bank in Saudi Arabia.

- Minimum three years' experience in same field.
- English mother tongue only.
- Age—25-35 years.
- Assignment for a minimum of two years.
- Compensation package attractive.

Applicants should write enclosing full details and applications should be received at the following address by 13th February, 1978:

Ref: 10/19/B

JEDDAH INTERNATIONAL
4 Park Lane, London W1Y 3LB.

01-428 2691

Industrial Sales Director

Closing the Sale—that is what this job is about. The Company, already a leader in sophisticated systems, has successfully developed this new product, proved it and already has it installed with major customers. They have a headstart on competition world-wide and are determined that the 'Oh-so-common' story of British technical achievement being overtaken by competitors' superior selling is not going to apply here. It is not a pioneering job, in the sense of opening doors; they are wide open. It is writing orders, not just talking about them, where everybody in one's customer's firm, from the unions, through middle management, to the board, will probably be involved.

Our man—or woman—need not necessarily be a systems, computer or E.D.P. specialist, but they should not be capable of being inhibited by such specialists either.

This is a job for a diplomatically aggressive, selling businessman or woman—mid 30's to mid 40's probably—with a demonstrably effective track record. They will report to the Managing Director. Expected success could result in the establishment of a separate division and a seat on the main board.

Location: desirable, out of London, West. Normal senior remuneration package into five figures.

Write, quoting ref. 745, to J.P. Macfarlane:

Beckwell Selection International
BECKWELL CONSULTANCY SERVICES LTD.
34-36 MARK LANE, LONDON EC2M 2LH
Telephone: 01-252 7500 (London office only). Telex: 333333.
ASSOCIATED WITH COMPANIES IN EUROPE, AFRICA, ASIA, NORTH AND SOUTH AMERICA AND AUSTRALASIA

F. PRATT ENGINEERING CORPORATION LTD. MARKETING DIRECTOR

Required for subsidiary company Pratt Burnerd International Ltd., Hemax, W. Yorkshire, engaged in the manufacture of precision engineering products. The marketing executive will be responsible to the Managing Director for:

- Developing marketing strategy and policies, home and overseas.
- Identifying new product/marketing opportunities.
- Preparing and implementing marketing plans.
- Managing the sales force.

This is a challenging situation requiring the development of a total marketing function. Enthusiasm, drive and leadership are essential qualities and recent experience in the engineering sector of secondary importance.

Candidates aged 30-45 years should have had formal training in, and responsibility for marketing and proven success in sales management.

Salary c. £9,000 p.a. plus pension, car and other benefits.
Applications to: V. Hollingsworth,
Pratt Burnerd International Ltd.,
Park Works, Lister Lane,
Halifax, W. Yorkshire.

INVESTMENT ASSISTANT

The Canada Life, which is an International Company with U.K. assets exceeding £1,000m., has an excellent opportunity for an honourable graduate (or a person with 1-2 years' relevant experience) to join its investment team in the London office.

The successful applicant will provide support for the officer responsible for fixed interest investments. Initial responsibilities will include administrative and monitoring work but the applicant will also be expected to develop analytical techniques and follow the larger economic scene in both the U.K. and Ireland as an introduction to further responsibilities.

A competitive salary together with the normal fringe benefits associated with a leading Life Office.

Please apply in writing to:
MR. M. R. Collett
Personnel Manager
THE CANADA LIFE ASSURANCE COMPANY
Canada Life House
High Street, Potters Bar
Herts EN6 5BA

Rare Opportunity

A small but fast-growing Public Company with interests in natural resources, energy conservation and public services requires two young executives to supplement the top management team at Head Office in South London.

One will fulfil the role of Group Financial Controller and the second will act as P.A. to the Chairman. Candidates should be well qualified with sound commercial experience and aged 25-35. The ability to manage and control diverse activities with flair and foresight will be of importance.

Excellent career prospects exist for the person who excels in an ever-changing commercial environment. Remuneration and benefits would be commensurate with the responsibilities of these positions.

Replies in strict confidence, with full curriculum vitae to:
The Chairman,
Box A.6229, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY ACCOUNTANT

(South Yorkshire)

The Company

Employs 600 persons in the Steel Industry and has a turnover of over £4m p.a.

The Job

Encompasses the control of all aspects of the Company's finances. The successful applicant will be an energetic, qualified accountant, capable of leading a team of accountants in implementing and operating systems within the Company.

Salary will be negotiable. The company operates a pension scheme and normal benefits.

Applications in strict confidence to BOX A.6207,
FINANCIAL TIMES, 10, CANNON STREET, EC4P 4BY.

J. & A. Scrimgeour Limited

EQUITY INSTITUTIONAL SALES

As part of an expansion of our institutional equity department, we have vacancies for two individuals to join our sales department. They will be expected to actively participate in the formation of views and the onward transmission of them to our clients. In addition they will have the backing of a well established research department which specialises in the Building, Retailing, Oil, Financial and Engineering sectors.

Applications are invited from—

1. An individual who is experienced and has a deep knowledge of the U.K. equity market and ideally will have been working in the institutional department of a stockbroking firm for some years. He/she will probably be aged between 30/35.
2. An individual in his/her twenties who has about two years' experience in an investment department.

In both cases we will regard experience as more important than qualifications and advancement within the firm will be entirely dependent on ability. Please send brief details of your career to—

The General Manager,
J. & A. SCRIMGEOUR LIMITED,
The Stock Exchange,
London EC2N 1HD.

LEADING ENGINEERING FIRM

requires for Iran

ONE CIVIL ENGINEER

Specialised in concrete work such as spillways, intake structures and outlet works for dams.

ONE CIVIL ENGINEER

Specialised in soil mechanics for design of earth filled dams.

ONE ELECTRICAL ENGINEER

Specialised in hydro-electrical design

All applicants must be fluent in English (written and spoken) with a University degree and at least ten years' experience.

Jobs entail two-year contracts renewable under mutual agreement. Housing will be provided in Tehran.

Remuneration will be commensurate with education and experience and will be at an attractive international level.

Interviews with eligible candidates will take place in Geneva (Switzerland) at the cost of employer who will reimburse travel and hotel expenditure.

Summary of education and experience should be sent as soon as possible to:

Balsam Engineering Division
of Cofinter S.A.
P.O.B. 213
1211—Geneva 6
Switzerland

Telex: 22203 cofge
Phone: (022) 35.83.60

Group Financial Director Designate

£8,500 + plus car

A public company, based in the West Midlands, with an annual turnover approaching £7m., wishes to appoint a Chartered Accountant, preferably aged over 35, with industrial experience and a practical approach to financial management as Group Financial Director Designate.

The person appointed will be responsible to the Chairman for the financial control of ten UK and overseas subsidiaries in a specialised engineering field. The position will lead to a main board appointment for a successful applicant,

who will also be appointed Company Secretary. Salary will not be less than £8,500; normal corporate fringe benefits are available including a car and assistance with relocation. (Ref. H1245/FT) REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Marketing Director

Taxation and Investment

- An international financial services group which sells an unusual range of investment, taxation and life assurance packages through professional advisers needs assistance in developing its marketing efforts.

- The position calls for a self-motivated self-starter with experience both in selling and marketing sophisticated personal financial services. Experience as a Life Assurance Broker and in a Life Office would be useful, as would a knowledge of the expatriate market.

- The remuneration will be very attractive, will be geared to success, and will include stock options. Based in London.

- Please contact, in confidence and quoting Reference No. 220, the consultants retained to advise on this appointment:

Clive Deverell Associates Limited
P.O. Box 192, London SW1X 9RN. Telephone 01-235 8215

SOMETHING COMPLETELY DIFFERENT

as PA to Principal of thriving small firm providing total investment/financial services to private clients. The job ranges from routine recording to portfolio management. The person will be 27-33, numerate, articulate, ideally with experience in accountancy/taxation/investment, hard-working, attentive to detail and entrepreneurial. Location Devon Coast—but pressure is high!

Starting salary negotiable to £5000 but with prospect of Directorship and total reward package equating to £10,000 + (with use of firm's cruising yacht).

Apply with CV to Box A.6208, Financial Times,
10, Cannon Street, EC4P 4BY.

Banking

Senior Loan Officer c.£14,000
Substantial international bank requires a Senior banker aged 28/35, with a broadly-based experience of eurocurrency credits and marketing.
ref:INCP

F/X Dealer c.£7,500
This international bank maintains one of the U.K.'s most active dealing rooms and now seeks an accomplished dealer aged 23/26, with good F/X experience.
ref:INCP

Accountant £9,000+
Qualified ACA/ACCA in late 20's required by major foreign bank. Experience of international bank accounting procedures is essential.
ref:AJT

Senior Credit Analyst to £7,500
Exceptional opportunity for analyst, with U.S. bank credit training or investment research background, to join one of the City's leading international banks.
ref:AJT

Loans Administration to £4,500
Well-respected consortium bank seeks a Loans Administrator, 21/24, with at least 1 years' experience of direct and syndicated eurocurrency loans.
ref:TOK

Junior Credit Analyst c.£5,500
A basic introduction to balance sheet analysis together with a positive personality are essential ingredients for a career in credit with this market leader—ideal age 23/26 years.
ref:TOK

F/X Accounting £4,000-£6,000
New Year opportunities abound with many of our international banking clients for young bankers with experience of F/X accounts, reconciliations and B of E returns.
ref:TOK

For further details, telephone 01-248 3812 in confidence.

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone: 01 248 3812/3/4/5

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The personnel consultancy dealing exclusively with the banking profession



LEADING FRENCH BANK has the following vacancies:—

Senior Account Officer — to develop new business in the U.K., whilst being responsible for a range of existing corporate customers of diverse character and to supervise one or two account officers. Must have initiative and drive, good commercial sense and the ability to communicate easily. Salary £8,000-£11,000 p.a. plus usual benefits.

Junior Account Officer — initially to review and follow up existing commitments and to assist a Senior Account Officer with a portfolio of existing customers. Applicants must be able to communicate easily with customers and colleagues and to be able to work without supervision. Salary c. £6,000 p.a. plus usual benefits.

The persons appointed must be able to work within the framework of an agreed policy, as members of a team, and in consultation with the Manager of the Division and other colleagues. Applicants will need a sound knowledge of banking (A.I.B.). Previous experience of trade finance and documentary credits would be beneficial. A knowledge of French would also be an advantage.

In the first instance, and in the strictest confidence, please contact David K. Grove.

CHIEF F.X. DEALER MIDDLE EAST c.£5,000
£ Negotiable Tax-Free
A leading consortium bank offers an attractive opening to a young Credit Analyst, aged 23 or under, with a minimum of one year's experience. For the successful candidate, ideally a graduate or qualified A.I.B., there will be scope for progression to a leading officer position.
CONTACT: Richard J. Meredith

CONTACT: Richard J. Meredith

ACCOUNTS/OPERATIONS £6,000-
Due to internal promotion the position of Assistant Accountant is vacant at the London branch of a European bank. Candidates should be aged 25-30, with international bank operations experience including departmental audits, Foreign Exchange valuations and general accounting duties. Salary is negotiable, and the figure quoted can be regarded a minimum.
CONTACT: Richard J. Meredith

CHIEF ACCOUNTANT/COMPANY SECRETARY c.£7,500
This vacancy occurs at the newly-established London Office of a North American investment bank. Candidates will ideally be Chartered Accountants aged mid-to-late twenties, with one-two years' post-qualification experience.
CONTACT: Sophie Clegg

CONTACT: Sophie Clegg

170 Bishopsgate London EC2M 4LX 01-6231266/7/8/9

Assistant Financial Controller

£8,868-£11,688 p.a. incl.

We wish to appoint an Assistant Financial Controller (Payments) based at our Headquarters in Central London to be responsible for an extensive range of banking services, including foreign exchange transactions; payment of supplies accounts and other claims; computer based salary and pension payrolls; administration of superannuation records.

Applicants, preferably with experience of similar work in a large organisation, must be members of a recognised professional accountancy body or have an equivalent professional or academic qualification and be able to demonstrate ability to take up a senior financial post. There will be a requirement to accept job rotation and willingness to move to other parts of the Board will help in career progression.

Applications stating full relevant details and present salary to the Personnel Services Manager, C.E.G.B., Sudbury House, 15 Newgate Street, London EC1A 7AU, by 19 January 1978. Quote Ref. FT/304P



Headquarters

CENTRAL ELECTRICITY GENERATING BOARD

Treasurer/ Controller

£10,000

Edinburgh

This company which has an enviable record of success in its interests in oil, seeks an able person with potential to eventually assume responsibility for its finance function. As a member of the management team, the Treasurer/Controller will have specific responsibility for taxation, statutory accounts and consolidation of subsidiary accounts, cash control and management accounts together with his or her role in the formulation of financial policy. Candidates, male or female, who are likely to be aged 32-40, should have a degree and be chartered accountants. They should have experience in the areas indicated together with an appreciation of computer applications and will

ideally have knowledge of the oil industry although this is not essential. Personal qualities of presence and maturity together with high motivation are important in this situation. Initial salary is negotiable around £10,000 together with normal fringe benefits. (PA Personnel Services Ref: AA45/6259/FT) Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London, SW1X 7LE Tel. 01-235 6060 Telex: 27874



A member of PA International

Phillips & Drew

INTERNATIONAL ECONOMIST

We have a vacancy in our Economic research section for an international economist who will specialise in forecasting world trade and payments patterns. Applicants should have at least two years' experience preferably in a financial or forecasting environment. The successful candidate will join an economic and corporate research team with a high reputation in the City and in Industry. Remuneration is competitive and there is scope for rapid advancement. There are a profit-sharing scheme, pension fund and other benefits. Please send a brief curriculum vitae and apply to the Staff Manager,

Phillips & Drew

Lee House, London Wall, London EC2Y 5AP

Lead Cleveland's industrial promotion team

Objective To attract jobs to the County and to assist local firms to grow.

Job Description You'll take over an already successful selling operation. Manage a major promotional programme. Sell the area at Director level. Coordinate advice to incoming firms with the four District Councils. Advise local companies on sites, services, and finance. Your title: Assistant County Planning Officer (Industrial Promotion). You will be responsible to the County Planning Officer.

Qualifications Marketing and sales promotion experience at senior level. Direct experience of industrial development would be a bonus.

Salary £8119-£8707 + car allowance.

The Area Cleveland is the North's major growth area - and one of the most dynamic in Europe. But national park and village life are only minutes away. Housing is plentiful and varied and prices are well below national average.

Application Forms and further details from Mr. W. Bean, FRTP, County Planning Officer, County of Cleveland, Gurney House, Gurney Street, Middlesbrough, Cleveland, or by telephoning Middlesbrough 248155 extension 2423 (Mr. S. A. F. Comer). Completed application forms must be returned by 25th January 1978.

County of Cleveland

PANMURE GORDON & CO.

PRIVATE CLIENTS

Excellent opportunities are available for both senior and junior account executives to join an able and well established team.

We are seeking an Account Executive with proven ability to handle the firm's existing clients and with a flair for responsibility and originality of thought. This post will suit individuals with ambition who see their interests and those of the firm as identical.

We are also seeking an enthusiastic younger executive with an engaging personality as a partner's assistant; the ability to engender good client relations is of greater importance than existing experience. Please reply to:

G. F. Hallwood, Personnel Manager,
PANMURE GORDON & CO.,
9 Moorfields Highwalk, London EC2Y 9DS.

INTERNATIONAL INVESTMENT AND MERCHANT BANKING

A major, locally owned Bank in a Gulf State requires an officer with detailed working knowledge of all aspects of documentation for Eurobond issues and syndicated loans.

The position would suit someone between 25 and 35 years of age who is willing to spend a limited period abroad in order to add depth to his career experience. The individual should be prepared to live in the Middle East for at least two years and to train local staff in the support of the international lending operations of the Bank.

A university degree of appropriate qualification is preferred, but is not essential provided a thorough knowledge of the technical aspects of the job can be demonstrated.

The Bank, which is one of the oldest in the area, has an excellent reputation, both in the domestic and international markets, together with first-class connections. The international lending operations of the Bank have been developed to a point where in order to sustain the development and expand this additional capacity for growth, another specialist is now needed in the International Banking Group at the head office.

A competitive salary will be offered in an income tax-free country together with free accommodation, car, and generous arrangements for home leave. Interviews will be held in London during the first half of February 1978.

Please reply giving full details of present position and other relevant information to Box A.6201, Financial Times, 10, Cannon Street, EC4P 4BY.

CAYZER LIMITED

Cayzer Limited is a recently established merchant bank and a subsidiary of The British & Commonwealth Shipping Company Limited. The emphasis of its activities is on corporate finance and corporate banking. The bank is seen as having scope for developing these activities within the British & Commonwealth Group and with non Group related clients. In order to assist the bank in its expansion the following senior staff are required:-

BANKER

A senior Banker is required to take charge of and develop the bank's lending activities, which focus on small to medium sized commercial and industrial companies. A banking, legal or accounting qualification and a solid career of banking experience and achievement are essential requirements.

FINANCIAL EXECUTIVES

The requirement is for one or two executives who should have an accountancy qualification followed by several years' experience in the profession or in industry; a university degree could be a useful additional qualification. The bank is looking for applicants with a track record which will demonstrate an ability to produce financial assessments with a strong commercial bias. The ability to formulate valid commercial judgments and to oversee the implementation of recommendations is essential.

Please write in complete confidence with curriculum vitae to:

The Managing Director,
CAYZER LIMITED,

5 Laurence Pountney Lane, London EC4R 0HA.

Due to expansion a leading firm of INTERNATIONAL STOCKBROKERS

with offices in the City have vacancies for general settlement clerks in all departments. Also Burroughs, Sensimatic and Telex (T7 and T15) Operators.

Each appointment will carry an attractive, salary and a non-contributory pension, also LVs.

Please telephone Staff Manager, Mr. Potter, 638 5699 to arrange interview.

FIELDING NEWSON-SMITH & CO. LONG DATED GILTS—SALES EXECUTIVE

We have recently established a department specializing in gilt-edged securities. We are looking for an additional sales executive to handle an expansion in business. The person appointed will be expected to service the accounts of long term investment institutions and will therefore need to demonstrate experience and success in this field.

This is an important position which will be reflected in a highly attractive level of remuneration.

Please reply in confidence to David M. Shaw, Fielding Newson-Smith & Co., 31 Gresham Street, London EC2V 7DX. Telephone 01-606 7711.

W. GREENWELL & CO. Economist

W. Greenwell & Co. have a vacancy for a young economics graduate whose duties will include assisting with their Monetary Bulletin. An interest in monetary economics is essential.

Please apply giving details to:
Mr. R. L. Thomas, W. Greenwell & Co.,
Bow Hill House, Broad Street, London EC4M 9EL,
Telephone: 01-236 2440

Group Financial Accountant

(£8-9,000)

The Borthwick Group is a multi-national food business with an annual turnover of around £500 million. It is principally engaged in the processing, trading and retailing of meat.

As a result of expansion, we require a Group Financial Accountant who will report directly to the Group Chief Accountant. Responsibilities will include:-

- * Supervising the parent Company's accounting
- * Preparing interim and annual Group consolidated accounts
- * Monitoring Group accounting procedures

Location is at the Group's International Headquarters in London;

some UK travel is involved, with overseas travel a future possibility. This is a career appointment combining promotion opportunities with attractive benefits and conditions of service.

Applications are invited from qualified accountants with at least two years post-qualification experience, ideally gained in the group headquarters of an international company. Preferred age 25-35 years.

Write in confidence, with full career and qualification details to:

B.J.W. Milton,
Group Personnel Manager,
Thomas Borthwick & Sons, Ltd.,
Priory House, St John's Lane,
London EC1M 4BX.

Borthwicks



Top Calibre Accountants

Why not consultancy in 1978?

If you are a qualified accountant aged 28-33 and have already achieved demanding objectives in difficult circumstances in industry or commerce, then you have demonstrated the basic ingredients for getting to the top. It's certain you won't be doing your present job in 5 years' time and unless you're working for one of the few top line companies that offers you room to grow you'll probably be working for a different company also.

Your next job must prepare you for the critical subsequent move to the top ensuring that you can offer the best possible mix of personal qualities, experience and achievement at a time when competition is at its strongest. Which is why so many top people choose, during their formative years, to spend a period in consultancy. Alternatively consultancy can offer a stimulating and varied long term career.

Why? - the challenge perhaps - clients and colleagues are demanding, deadlines are impossibly tight, there's so much new ground to cover and every assignment presents an opportunity to solve someone else's problem. You will be stretched as never before, exposed constantly to new technology and high calibre colleagues from all kinds of backgrounds will ensure that your standards are of the highest.

We, as one of the largest international firms of management consultants, need top calibre accountants to meet the growing demand for our services both at home and overseas. The positions are London based, although a reasonable degree of mobility in the U.K. is essential. Salaries are competitive and for overseas assignments generous additional allowances are paid.

If you think consultancy could be for you, please send brief but comprehensive details of career and salary to date, which will be treated in confidence, to:-

J. C. Cameron, The Executive Selection Division - MSF20-43,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 1DQ.

Internal Audit Manager Management Consultancy - Tehran

for a newly established management consultancy. The role will be to control a team of accountants, providing services in the field of internal audit, special investigations and systems review, design and installation, for a wide range of companies in Iran.

A strong background of audit experience in a major professional firm of Chartered Accountants, followed by experience at senior

level in the internal audit department of a large industrial company is required. Experience in dealing with multi-national companies is desirable.

A realistic salary is negotiable and benefits include free accommodation, company car, and substantial assistance with medical and educational costs. Successful performance could lead to a partnership.

Applications in confidence to G. N. Brown quoting reference: 6185, Mervyn Hughes Group, 2-3 Cursitor Street, London EC4A 1NE. Telephone: 01-404 5801 (24 hours).

Mervyn Hughes Group Management Recruitment Consultants

TAXATION EXECUTIVE NORTH SEA OIL DEVELOPMENT

London W.1.

£10,000-£15,000 + Car

Our client is a major quoted group whose traditional activities include publishing and leisure. A major investment has been made in North Sea Oil, the revenues from which are now making a substantial contribution to group resources.

As a result, the group now plan to appoint a Taxation Executive who, reporting to the Group Taxation Adviser, will have responsibility for advising on tax matters relating to oil activities. The position will entail close contact with senior management, other consortium members and the oil industry.

Candidates, male or female, should be qualified accountants with considerable corporation tax experience either with a major company or an international practice. Any specialist knowledge or experience of the oil sector will clearly be an advantage and will be reflected in the salary paid. Candidates should be able to bring a creative approach to this challenging appointment. For more detailed information concerning this appointment and a personal history form, please contact either Nigel V. Smith, A.C.A. or Ronald Vaughan, A.C.M.A. quoting reference 2039.

Douglas Lumbie Associates Ltd.,
410, Strand, London WC2R 0NS. Telephone: 01-836 9501.
121 St. Vincent Street, Glasgow G2 5HW. Telephone: 041-226 3101



EUROCURRENCY DEALER

Is required to join the present team of traders in the London Branch. A high standard of professionalism and knowledge of the London currency market is expected. Usual fringe benefits. Salary negotiable.

Enquiries to:



R. Jewell,
Assistant Vice-President,
UNITED CALIFORNIA BANK,
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CENTIMETRE

Bank Economist

A City-based international banking group has a vacancy for an economist, male or female, with at least four years' experience in commercial, financial or other relevant employment since graduation.

The post offered is in the Economic Department and concerned with a wide range of subjects including international monetary matters, developing countries in which the group operates, primary commodity markets and developments in the United Kingdom and the OECD area. Experience in sterling money markets will be valuable, though not essential.

The appointment will interest candidates possessing a good degree in economics or an associated discipline who seek an attractive basic salary and substantial ancillary benefits. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to: The Personnel Manager, Standard Chartered Bank Limited, 10 Clements Lane, London EC4N 7AB.

Standard Chartered
BANK LIMITED

BUSINESS DEVELOPMENT MANAGER

DISTRIBUTORSHIPS AND DEALERS

A B Volvo, over the past ten years of successful growth in the U.K., has established, through her British Subsidiary, an unrivalled Distributor and Dealer network throughout the U.K. and Ireland.

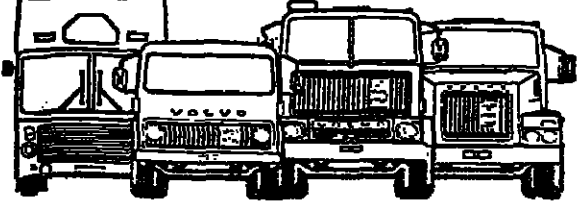
To continue the development of this network, Volvo has decided to establish a small Business Development Unit which will provide a key advisory service covering those modern business methods, including control systems, necessary to ensure effective management and profitability. In addition, the new unit will help to plan and control the future growth and development of the network and liaise with AB Volvo on matters pertaining to corporate identity, facilities planning, etc. The new unit will also be responsible for recommending training programmes for Distributor and Dealer managers.

To head up this unit, Volvo is looking for an experienced Business Development Manager, male or female, ideally a financially orientated MBA in his or her 30's who has had experience of providing consultancy services to small and medium sized organisations. Accountable to the General Manager—Product Sales, he or she must be able to give advice in depth on problems relating to marketing, sales, finance and general administration. Experience of the Motor Industry and in particular Heavy Commercial Vehicle Franchise

is desirable but applicants from other industries will be considered as the emphasis is on Business Management experience rather than Product knowledge.

This position will be of interest to those currently earning in excess of £7,000 per annum and, in addition to an attractive salary, Volvo's remuneration package includes staff productivity bonus, pension, permanent health and life assurance schemes and four weeks annual holiday. An executive class car will also be provided for full private and business usage.

Applications should be made in complete confidence to John C. Brownlow, Sales Trucks Ltd, 100 Windward Road, ARVINE, Ayrshire, Scotland.



VOLVO

Northern England Scotland and Wales

A public group of companies is implementing carefully evaluated plans aimed at achieving specific growth targets. On a sound entrepreneurial leadership, some sectors of the group's activity can comfortably double in size within 2-3 years. This creates a need for a limited number of key executives. Male or female, all will be under 38 years of age, appropriately qualified and well experienced. Each position offers very attractive prospects.

Managing Director—Wales

Totally accountable for the company's performance against agreed targets, the person will report only to the Group Board. Within the context of high engineering—possibly with an electrical/electronics bias—strong organising ability coupled with business drive would be a suitable mix. For a very short period, location in the Greater London area would be necessary on a week by week basis, prior to the transfer of the firm to the Mid-Wales area. Salary indicator: £10,000 plus car and benefits including realistic bonus payments on target achievement. (Ref: 8011)

Managing Director (Designate) Scotland

The company produces medium volume, high quality electrical products for the private and public sectors of industry both in the U.K. and overseas. The person appointed will assume full responsibility for the firm's affairs within a very short period. Strongly developed leadership qualities allied to sound industrial marketing skills will be essential. Previous experience as a Commercial Director, with knowledge of industrial markets in Scotland, would be of special interest. Both finance and production capacity exist to support growth to double the company's present size in about 2 years. Salary indicator: £8,500 plus car and benefits including realistic bonus payments on target achievement. (Ref: 8012)

Financial Controller—Yorkshire

Actually a London Group H.Q. appointment, there will be a definite Yorkshire base with prime responsibility for the introduction and development of effective financial controls within one of the main companies situated locally. Turnover approaches £3M and products arise from light assembly work in the electrical sphere. These are mainly sold to industrial users. U.K. plus overseas turnover will double in 2 years. There is an L.D.P. facility on the which could be used for Group purposes and full computerisation is envisaged within two years. A young Chartered Accountant with a strong personality, at least 3 years' experience of light industry and a sound knowledge of costing, will find this appointment very attractive. There are early prospects of national responsibility, plus a Financial Directorship of a main company, depending upon performance. Salary: £7,000 p.a. to commence plus car. (Ref: 8013)

Beckwell Selection International

BECKWELL CONSULTING SERVICES LTD., 140 RIVER STREET, LONDON W10 2JH. Tel: 01-875 7514 (24 hrs. Answerphone). Telex: 202520. ASSOCIATED WITH COMPANIES IN EUROPE, AMERICA, ASIA, NORTH AND SOUTH AMERICA AND AUSTRALIA.

Credit Analysis to £6,000

Four of our International Bank clients each seek an ambitious and capable young banker to assist with the growth of their Loans portfolios.

The "common denominator" in these opportunities is sound practical Credit Analysis experience, together with an appreciation of the administrative aspects. In 2 cases, there is the additional specific requirement of a knowledge of: a) Portuguese; b) French.

To discuss these possibilities—in confidence—please telephone either John Chiverton, A.I.R. or Trevor Williams... on 405 7711.

David White Associates Ltd.
Hampton House, 84, Kingsway, London, W.C.2.

CREDIT ANALYST

Saudi International Bank is an expanding City based merchant bank whose shareholders include the Saudi Arabian Monetary Agency and several of the world's leading banking names.

As a result of continuing growth we wish to appoint a Credit Analyst whose particular responsibilities will be to help officers in charge of Commercial lending activities in specific geographical areas.

The successful candidate will probably be in his/her late twenties ideally possessing both a relevant degree or professional qualification and at least 2

years' international banking experience (preferably including a period of formal credit training). A knowledge of American credit analysis and accounting practice is highly desirable.

Significant career prospects exist and the salary will be made attractive to the right person, together with excellent fringe benefits.

Please write enclosing a detailed C.V. to: Christopher D. Taylor, Saudi International Bank, 99 Bishopsgate, London EC2.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

FINANCE DIRECTOR

U.K. Medium Engineering Company
Turnover c.£20m

Midlands

c.£10,000+ bonus + car

Play a key role in managing and co-ordinating the financial affairs of several operating Divisions. Assume responsibility for Performance Appraisal, Forecasting, Manufacturing Costing, All Financial functions.

Our Client: A dynamic growth Company, part of a substantial and highly successful specialist engineering group (turnover c.£80m). They are poised for a major investment and sales effort. The objective of this appointment is to permit and strengthen the growth and achievement of the business plans.

Your Role: To assume control of the Financial Department (total staff of 50) with a management team comprising: a Company Secretary, a Financial Controller, a Management Services Manager and Divisional Management Accountants. To lead and head-up the financial function to ensure that high standards are operated to ensure that systems are efficient to provide and obtain accurate, cohesive and timely information for budgets, forecasts and plans generally to support the Managing Director in developing the business.

Your Background: A qualified Accountant in your 30's or early 40's with wide industrial

experience, gained ideally within an engineering environment. An accomplished track record as a Management Accountant with proven skills in appraisal techniques and controlling a diversified executive team. A combination of: breadth of vision, co-ordinating skills, proven talent in communicating with and motivating others, unyielding professional standards.

Your Rewards: A key role in the accelerating progress of this Division, immense personal and professional job satisfaction, a first year remuneration package exceeding £10,000+ Excellent benefits and Company car.

ACT NOW! Telephone or write (in strictest confidence) to Paul Sinha (Director) on 01-388 2051 or 01-388 2055 (24-hr. Answerphone) for curriculum vitae form, quote reference no. 207.

This appointment is open to male/female applicants.

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Merton House, 70 Grafton Way, London W1
Executive Search and Management Consultants

ASSISTANT MANAGER

BUSINESS DEVELOPMENT

P. S. Refson & Co. Limited wishes to appoint a talented young executive to assist in its business development activities.

The ideal candidate will hold a university degree or professional qualification, be aged 27-32 and have at least three years' experience of international banking, with particular reference to trade finance. The ability to speak a foreign language and a readiness to travel at short notice will be additional advantages.

The bank moves to its own City premises in 1978 and the present vacancy arises through the continuing expansion of its activities.

Salary, rewards and future prospects will fully reflect the importance attached to this appointment. Please reply, in confidence, to:

The Managing Director,
P. S. REFSON & CO. LIMITED,
1 Hobart Place,
London, SW1W 0HU

This is a challenging opportunity for a highly motivated accountant to work for a large multinational corporation.

OPERATIONAL AUDITOR

The successful candidate will undertake marketing and production appraisals, profitability reviews and financial audits in the company's Spanish subsidiaries.

Applicants should be aged at least 30 years and should have:

- a good university degree, MBA or recognized accounting qualifications,
- a minimum of 8 years of business experience, including EDP audit, operations or systems experience,
- fluency in Spanish and English languages,
- a diplomatic personality and good oral and written communicative skills.

The position is based in Madrid and requires 50% travel in Spain. We offer an attractive compensation package and excellent future career prospects.

Please send detailed CV in strict confidence to:
R. Stoberg, Sevenco AB, 73 Welbeck Street, LONDON W1M 8AN.

SENIOR EUROBOND DEALER

An International Investment Company offers an exciting opportunity to the right person to establish and develop a Eurobond Department. The successful candidate is likely to have had experience in both primary and secondary markets. This is an opportunity to join a new team as it is being formed. Remuneration commensurate with qualifications and experience. Interested candidates please submit detailed curriculum vitae to: Box A6206, Financial Times, 10 Cannon Street, EC4P 3Y. All replies will be held in the strictest confidence.

LONDON & CITY FINANCE GROUP

This medium size group intends to appoint a Chartered Accountant to serve as Director in Charge of Finance and Administration. He/she will report to the Joint Managing Directors.

The Group's activities encompass Estate Agency (Residential and Commercial), Corporate Finance, Property, Equipment Leasing, Financial Consultancy and Investment, other activities are planned.

The successful applicant will have responsibility for a small accounting department, the production of regular accounts, statistical and management information and the administration of the Group's procedures and activities.

Salary £9,000 plus car.

Reply in strictest confidence to:—
Neil Bradman,
18 Seymour Street,
London W.1,
or telephone 01-935 2382.

Financial Director Australia

Our client, a major international group and acknowledged leader in its field requires for its Australian company (quoted on the Sydney Stock Exchange) a Financial Director.

The applicant will be required to plan and direct financial and management accounting functions and to contribute to the general management of the company in the achievement of its overall objectives.

The successful applicant will probably be between 35-45 years of age;

will have a good accountancy qualification and several years experience of the engineering industry. He will not be lacking in entrepreneurial qualities and will certainly be a hard worker.

The salary paid will be commensurate with the importance of the position. Please write in complete confidence enclosing concise personal and career details to:

The Managing Director,
Reid Walker Selection,
Hutton House, Hutton Street,
London EC4Y 8HP.



European Chief Accountant

Salary Neg. France-Geneva Area

Qualified Accountant with good international accounting experience, including USA owned companies, required for newly-created position with international group. Duties will include supervision and control of accounting services throughout the group. Applicants should be fluent in German and/or French and be free to relocate and travel.

Applications to E. S. Moore

Reginald Welsh & Partners Limited
Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387

ASSISTANT TO CONTROLLER

Eastern Hemisphere

Career opportunity to join the U.K. subsidiary of a Houston-based energy service company. Position requires a strong accounting background and experience with a chartered accounting firm would be a plus. Must be able to perform under pressure, supervisory experience necessary. The successful candidate would be expected to progress in line with company expansion. Interested candidates should in the first instance send their curriculum vitae with salary history to:

Mr. R. G. Lowe,
Eastern Hemisphere Controller,
Hydrotech Services U.K. Ltd.,
Sea Oil Support Base,
Ferryden, Montrose DD10 9SL.

Investment Analysts

Owing to promotion and expansion, vacancies exist for analysts with at least two years relevant experience. Of particular interest would be candidates with specialist knowledge of commodities or economics. Good opportunities exist for advancement both within the UK, and overseas.

Applicants, of either sex, should write enclosing curriculum vitae to:
D. W. J. Garrett, Robert Fleming Investment Management Limited,
8 Crosby Square, E.C.3.

ROBERT FLEMING

CORPORATE BANKING

AGE 28-50 NIGERIA £20,000+bens

A prominent International Bank with an extensive Branch network in Africa seeks to appoint two experienced Executives as

DEPUTY AREA MANAGERS

The successful Candidates will be responsible for the provision of the whole range of Banking services to Corporate Customers of a number of Branches. In addition to a minimum of 3 years' Banking experience within a major institution, the possession of the Institute of Bankers Diploma, degree or other relevant qualification is essential.

A knowledge of French would be advantageous, but not paramount. The initial basis of employment will be a 2 year contract, mutually renewable, and benefits include free housing, car allowance, steward, re-location expenses and free medical care. Annual leave entitlement will be a minimum of 50 working days, and return air fare to the U.K. will be paid for the appointee and family, if applicable.

Applications, in strict confidence, to Rod Jordan.

BANKING PERSONNEL
41/42 London Wall - London EC2 - Telephone: 01-588 0781

(Recruitment Consultants)

Ambitious Accountants for Management Consultancy

Do you have:-

- an accounting qualification and a good University degree?
- a background of practical accounting in two industrial or commercial environments?
- experience of producing practical solutions to financial problems outside normal accounting matters?
- the ability to communicate effectively both orally and in writing?

We are:-

- the management consultancy arm of a leading firm of accountants
- expanding rapidly both in the UK and overseas
- offering work in multi-discipline teams on a wide range of business problems
- able to provide you with training and experience to further your career development
- offering salaries which will attract the most able candidates.

If you are interested in the challenge of helping to solve our clients' problems and, at the same time, wish to further your own career, please write, giving relevant details of career and salary progression, age, education and qualifications, to Dr. L. Bowers (quoting ref. 672/8 on both letter and envelope).

Deloitte, Haskins & Sells, Management Consultants,
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

APPOINTMENTS

ALSO
APPEAR
TODAY
ON
PAGE 6

Financial Administrator—Europe

Squibb Corporation is a large and successful U.S. group with a worldwide turnover of \$14 billion in pharmaceutical and consumer products. One of its major product divisions, Life Savers Inc. requires a Financial Administrator to take full charge of the administrative and financial function for its European operations.

He or she will be based in Central London and will be responsible for the following:

1. Legal, administrative and accounting matters involved in setting up businesses in various countries.
2. Financial control and reporting procedures for U.S. divisional headquarters.
3. Financial analysis and advice to Managing Directors and marketing staffs of European companies.
4. Recruiting and supervising all staff required in the performance of these duties.

This is a challenging post with excellent prospects for candidates who can combine the "shirt-sleeves" task of start-up operations with the organised approach required for long-term development. Candidates should be qualified accountants holding a university degree, preferably in accountancy, finance or related subjects, and should have had several years' management experience of financial planning and control in relation to fast moving consumer products. They should also be fluent in German and have considerable experience of dealing with banks, government agencies and professional advisers in the setting up of business operations in a European context. Experience with American subsidiaries, and fluency in French would be added advantages.

The most likely age group is 30-40 and frequent travelling may be necessary initially.

The earnings package is negotiable and will consist of a five figure starting salary, company car and executive pension scheme commensurate with the importance of this key post.



Send adequate particulars in confidence to A. R. Cockell, F.C.A., ARC Management Recruitment, Suite 5, Warwick Street, London W1R 5RD.

Financial Controller

Circa £11,000
+ Significant Benefits Package
East Midlands

Our client is one of Europe's most successful specialist engineering groups, with annual sales exceeding £300M. The member companies - market leaders in their field - operate mainly in the construction equipment, commercial refrigeration, defence and mechanical handling industries.

With 16 manufacturing locations in this country and eight overseas subsidiaries, each committed to extensive business plans for expansion, the group finance function has a highly important and challenging task.

As Controller, you would be responsible to the Finance Director for co-ordinating group reviews, consolidation and monitoring of individual company plans and performance reporting to optimise total profitability. You would also be involved in investment actions, including assessment of acquisition prospects and new business opportunities.

This position calls for an ability to motivate a team of

professionals to achieve demanding objectives and meet tight reporting deadlines, but offers rewarding scope for exercising substantial management influence and subsequent career progression into general management.

You should have attained high standards of academic and professional accountancy qualification. Your experience in the finance function must be broad based and preferably embrace both the accounting and analysis areas in an engineering environment. Experience of corporate planning is also highly desirable.

If you are attracted by this opportunity with a highly successful group, write, in confidence, enclosing a concise resume of your career and remuneration to date, naming companies to which you do not wish your application to be forwarded, to:

E. M. Joy (879 FT)
Lopes Limited
St. Martin's House,
110 St. Martin's Lane,
London WC2N 4BH



Finance Director

The Heron Motor Group which incorporates companies engaged in most aspects of the motor trade has undergone an era of almost unparallelled growth, doubling its profits in the last year.

This growth is continuing and a Finance Director is now required to take overall control of the company's financial matters. This is obviously a key position and demands a well-qualified Accountant with an intimate knowledge of management and financial accounting.

The individual we appoint will be able to maintain and influence the development of systems and controls and provide authoritative information

which will enable management at all levels to take decisions which will enhance the prosperity of the business in the short, medium and long term.

The position will appeal to Accountants currently earning in excess of £10,000 per annum and carries a company car, pension scheme and Share Option Scheme.

An individual capable of making a substantial contribution to the Group's success can anticipate a very rewarding future.

Applications, which will be handled in complete confidence, should be sent to:

FS. Reynolds,
Chief Executive,
Heron Motor Group Limited,
Heron House, 19 Marylebone Road, London NW1 5JL.



ACCOUNTING SUPERVISOR

Age 26-32

European Bank requires ambitious person with an accounting background preferably acquired within a Banking or related financial environment. Progress towards an appropriate professional qualification would be advantageous, and a knowledge of taxation is essential. Personal qualities required are an ability to supervise, and the capacity to institute control systems. Prospects, working conditions and fringe benefits are among the City's best.

LOANS ADMINISTRATION

Age 23-26

Rapidly expanding International Bank seeks ambitious Banker with sound basic background augmented by a minimum of 2 years' Loans Admin. experience. This is an outstanding opportunity for advancement based on ability and a capacity for hard work.

INTERNAL AUDIT

Age 25-30

Consortium Bank requires to complement its audit function by appointing a young Banker with previous experience of internal auditing. A.I.B. or accountancy qualification is essential. Career prospects are considerable, as are the benefits.

For further information regarding these and other banking positions please telephone Rod Jordan

BANKING PERSONNEL
41/42 London Wall - London EC2 - Telephone: 01-588 0781

(Recruitment Consultants)

Bankers Trust International seek a Qualified Accountant.

He or she will be responsible for all financial and management accounting, the preparation of management and annual accounts and regulatory returns.

The position arises from the planned re-assignment of the present Accountant within the Bankers Trust Group in mid-1978.

Reporting to the Director, Administration, the Accountant is supported by a Controller and his staff of six.

The ideal candidate will have experience of bank accounting, preferably gained with an American bank. A working knowledge of taxation is desirable.

The Accountant is expected to attend Board Meetings to present and comment on the management accounts, so clarity of thought and expression is essential. Preferred age range is 30-40.

Salary is negotiable, but candidates currently earning less than £8,000 are unlikely to have the necessary experience. Fringe benefits are those usually associated with banking positions.

Interested persons should request an application form by letter, briefly describing how they meet the above requirements, from the Secretary, Bankers Trust International Limited, 56/60 New Broad Street, London EC2M 1JU.



BANKERS TRUST INTERNATIONAL LIMITED

Financial Director

Blyth, Greene, Jourdain & Co Ltd
£20,000 - £25,000

Our client is a successful, long-established family-owned Group which is an associate company of John Swire & Sons and has diversified international interests in trading and manufacturing. It has a requirement to recruit a Financial Director to join its City-based headquarters. The Director will be responsible for all aspects of the Group's finance function. The right man or woman will be 35-45, a qualified accountant, have a good educational background, and at least 5 years in the profession and/or management consultancy. Subsequent experience must include senior financial management responsibility in an industrial/commercial environment, also some trading and overseas experience would be an advantage.

Please write giving full career details to David Munns at:-

KORN/FERRY DICKINSON LIMITED
20 Queen Street, Mayfair,
London W1X 7PJ



KORN/FERRY INTERNATIONAL

CHIEF ACCOUNTANT/COMPANY SECRETARY

required for international trade finance company being established in central London with considerable backing by overseas trading and finance group. The successful applicant will:

- a. already have acquired in depth knowledge of export finance, documentary procedures and systems including E.D.P.
- b. have probably worked in a Merchant Bank, Confirming House or International trading environment,
- c. probably be professionally qualified,
- d. work closely with very experienced senior management,
- e. be seeking a challenging appointment with considerable potential demanding hard work and responsibility,
- f. probably be aged 28-45.

Salary and fringe benefits negotiable according to background.

Replies in the first instance with CV's to
EUROPEAN INVESTMENT CONSULTANTS
Room 24-25, 175, Piccadilly, London, W1.

ACTIVE MEMBER

with useful commission income seeks association with member firm possibly combined with salaried dealing.

Write Box G.1177,
Financial Times,
10, Cannon Street, EC4P 4BY.



McKELLAR WATT
CHIEF ACCOUNTANT
(Director Designate)
c. £9500 p.a.
plus
Performance Bonus and Company Car

An outstanding opportunity is offered to join this expanding independent company, Scotland's market leaders in fresh and frozen Sausages, Pies and Cooked Meats, employing over 600 people.

The duties are broadly those of a company secretary, combined with the maintenance and development of a firmly established system of integrated budgetary and financial controls. In addition the successful candidate will require to work with an active Executive Board in the application of Long Range Planning techniques, including the financial implications of associated projects.

The person we are looking for is probably a Chartered Accountant, age 35-45, with a proven track record preferably in a fast-moving consumer goods industry. Remuneration package includes salary, performance bonus expected to be around 20%, exclusive use of company car, and normal fringe benefits.

Applications in strict confidence to:-

G. M. WARD
MANAGING DIRECTOR,
McKELLAR WATT LIMITED,
17 OLD SHETTLESTON ROAD,
GLASGOW G3 7ES



A VACANCY EXISTS FOR A JUNIOR DEALER

Previous dealing experience preferred, but not essential. Good knowledge of Stock Exchange procedures required. Preferred age 24-28 years. Salary negotiable.

Please apply to:-

Mr. E. J. Farrell,
Managing Director,
BRITANNIA FINANCIAL SERVICES LTD.
3, London Wall Buildings,
London Wall, EC2M 5QL.

INVESTMENT ANALYSIS/ MANAGEMENT

Clerical, Medical and General is an established Life and Pensions office of high repute with existing funds of over £400m. and £50m. per annum becoming available for new investment. This continuing expansion requires the recruitment of an addition to the team of investment professionals located at our London Head Office in the West End.

The successful candidate will be aged under 30 with accountancy qualifications and/or a good class degree in a relevant discipline followed by some industrial or commercial experience.

Previous investment research experience is not essential, as a thorough training will be given, but a positive contribution to the management of the British equity investment (present value over £100m.) will be expected at an early stage.

Attractive progressive salary, non contributory pension, and, after a qualifying period, subsidised house purchase. Where appropriate, assistance with re-location expenses will be given.

Please write, enclosing curriculum vitae to:-

Mr. N. Jones,
Assistant Secretary (Staff),
Clerical, Medical and General Life Assurance Society,
Narrow Plain,
Bristol BS2 0JH.



HOLDERS OF REPRESENTATIVES LICENSE

Required for aggressive organisation providing a complete range of financial services to non-discretionary private clients—excellent prospects. Also Trainees required—must be able to obtain references from:

- 1) A Bank Manager
- 2) A Member of the Stock Exchange
- 3) An Accountant or Justice of the Peace

Write Box A.6210, Financial Times,
10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

EXECUTIVE

with wide international experience, association with financial institution or company active abroad, I.L.D. specialised in project finance engineering and management of foreign markets. Connections in capital markets. Bilingual English/Spanish, working French and Italian.
Write Box A.6211, Financial Times,
10, Cannon Street, EC4P 4BY.

EX-MANAGING DIRECTOR

of large private house-building company with 20 years' experience, with Directorship in similar field. Practice in land acquisition, planning, finance and all aspects of building.
Write Box A.6205, Financial Times,
10, Cannon Street, EC4P 4BY.

INTERNATIONAL LEGAL COUNSEL

One of Europe's leading banks requires a senior in-house lawyer to service its considerable overseas and domestic interests. The person appointed will join an established team at executive level in the bank's headquarters office. The team provides a full range of legal services including involvement in commercial negotiations, and liaison with outside professional advisers. Experience in the fields of syndicated euro-currency loans and other merchant banking activities will be an asset. Our clients wish to consider U.K. or U.S. qualified lawyers aged 27-35 yrs. who have diplomatic skills, commercial understanding, good drafting ability and a commitment to living in Holland. The bank is prepared to make mortgage assistance available and envisages paying a salary of £60,000. Guilders which will provide a standard of living equivalent to a U.K. resident with over £12,000 p.a.

Applications which will not be passed to our client without express consent should be made by writing to or telephoning R.J.G. Macdonald.

REUTER SIMKIN

LONDON'S 100 FIDELITY WISE 01-485-5852

السيد / السيد

The Marketing Scene

No soft soap for shavers

BY PHILIP KLEINMAN

SHAVING is a serious business, believes the Gillette company. There is therefore, nothing about its new TV campaign for the Gillette twin-blade shaver system. The commercial, by J. Walter Thompson, interweaves a hard-sell demonstration of the product in action with shots of footballers scoring goals. The connecting theme, for those interested in such things, is the "old one-two."

A couple of years ago, aficionados of TV advertising may remember, a much lighter-hearted approach was being taken. JWT created a comedy situation for Gil in which an actor had a discussion with his face, reflected in the mirror. Gillette came to the conclusion that the product's progress would have been faster without this infusion of what agency people call creativity, and last year's campaign was an un-memorable one, featuring footballers and the celebrity Tommy Docherty.

If the thematic content of the Gillette's advertising this year is serious, the amount it is spending is even more so. In all, the company will put £2m. of promotional money behind its razors and blades. Of this, £1.3m. will go on advertising Gil, and £250,000 on the first TV burst, due in March, for its new twin-blade disposable razor.

Wilkinson Sword promises to match Gillette promotional advertising and its distribution, pound for pound. As ever, the two rivals disagree about precise market shares. Gillette, Woolworths, which between

them account for some 35 per cent of razor blade sales in the country.

Reasons for the success of disposables vary from country to country. (In Italy, because of the shortage of coins, tobaccoists give them in lieu of change.) Cheapness, however, is obviously one of them.

Recommended price for a Bic in Britain is 8p. Gillette is recommending a price of 33p for a packet of three disposables, the average life of each of which is said to be 21 shaves. Wilkinson's recommended price is 19p for a packet of two. With promotional price cuts, the Gillette packets are already available in multiples at prices as cheap as 16p.

According to a piece of research carried out last summer by Gillette itself, 40 per cent of people buying Bic disposables were newcomers to wet-shaving. They included women as well as men who were accustomed to use electric shavers. (Despite some recent growth in electric, or dry, shaving, sales still account for less than half those of wet-shaving products.)

The survey, though its results may have been influenced by holidaytime factors, helps to explain why both the shaving giants believe they must get into disposables. So far there appear to have been no public protests against the unnecessary waste of raw materials involved. Perhaps, when the campaigns are all going full blast, the ecological lobby will wake up.

Advertisers and the new media

BY MICHAEL TOWNSIN

PROPHECY IS NOT suffering an energy crisis, particularly when it comes to electronic media developments. For ten years we have been reading about the electronic revolution about to overtake our living rooms. Channel 4, Teletext, Viewdata, video cassettes, video discs, cable and satellite broadcasting. We kept on believing in it but nothing seemed to happen, so now a huge credibility gap exists at the very time when there is at last evidence that some of these facilities will shortly be within reach of the mass of consumers, initially in the U.S.

The predicted availability of these new media varies widely according to the point of view or self-interest of the author: usually missing altogether are the ways in which they might be utilised by advertisers.

With the advertiser in mind, then, let us try to give some realistic answers to the key questions posed by these developments: Who needs them? What impact will they have? How will advertisers use them?

One measure of people's appetite for television is the amount they pay for the privilege of viewing. The cost of a 22-inch colour set is about £300 and I estimate that over the seven-to-ten-year life of a set it costs the consumer another £300 in maintenance and repairs. The approximate two-thirds of colour sets which are rented cost an average rental of £105 a year—£735 over seven years, even without inflation.

Add to this the fact that the average home views five hours a day and that colour TV penetration is 52 per cent, and moving ahead steadily, and you have evidence of a pretty strong commitment to the medium.

Yet at the same time the domestic TV set is the most under-utilised piece of equipment in the British home, not necessarily from a time spent point of view but from a technical one. When a consumer buys a TV set he buys the electronics for more than 40 channels of entertainment and information but is lucky if he receives more than three, so it is arguable that his needs are not being fully met.

Demand

Advertisers are in a similar situation: demand for advertising time and space is almost certain to keep on growing, which means that with today's relatively inelastic media supply, the cost of using media will continue to rise faster than retail prices and most other marketing costs. This will begin to have economic and political implications in an economy which is becoming more and more media-dependent.

One effect of this will be that advertisers will economise, as they are doing already, by reducing space sizes, commercial lengths and production costs. Consequently more commercial messages will occupy the same space, and advertisement clutter, which is already becoming a problem in some media at certain times, will increase. To these constraints must be added growing consumer pressures and advertising regulations concerning what the advertiser may or may not say.

So we do need more media. And the new electronic media

The much publicised Teletext and Viewdata systems which transmit facsimile pages into the TV set by normal airwaves and telephone wires respectively, are essentially information facilities with huge business potential.

But very limited consumer facilities will depend much on the extent to which the price of hardware comes down and how soon they become integrated into new sets. Colour television penetration has reached 52 per cent, in eight years and will continue to grow steadily, aided, in this national wideband cable network, by the rental companies.

What is the definition of a mass audience for electronic

it is in this rule that video discs, Cable television, which would facilitate almost unlimited choice consumer market in the U.S., and selectivity for consumers and may well eclipse cassettes. They eliminate the threatened media supply problem mentioned earlier, seems to be in a state of compact.

The growth of either of these facilities will depend much on the extent to which the price of hardware comes down and how soon they become integrated into new sets. Colour television penetration has reached 52 per cent, in eight years and will continue to grow steadily, aided, in this national wideband cable network, by the rental companies.

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What is the definition of a mass audience for electronic

A leading media director surveys the video environment of the next 20 years and the opportunities for new freedoms, increased advertising competition and specialised audiences

Kraft spending up 50%

KRAFT FOODS has raised its advertising budget to £23.5m. — a rise of about 47 per cent on new 1976, an increase according to the company, of 50 per cent on last year.

The drive follows the merging of the company's four sales divisions into two national sales divisions, one of which is to deal with multiples and co-ops. John Foley, marketing director, reports that 1977 was a difficult trading year in many ways but that targets were achieved in "virtually all sectors."

Posters, the Press, women's magazines and national TV are all in the schedules. And, for the first time, there will be a test local radio campaign for the new Cheese Faye range of frozen foods. Some £185,000 is to be spent on support for industrial and catering products.

J. Walter Thompson reports that new business gains in company. There will be 18 to 20 Europe (including the U.K.) last pages and the coverage will

include features as well as news. At least one member of the current Campaign staff is joining Adnews.

Chamberlain's split with Campaign was precipitated by disagreements over the planned Campaign Europe publication.

Flatteau Advertising Partnership is to handle the campaign by Thorn Electrical Industries to celebrate the group's 50th anniversary this year. A new corporate identity programme is being brought in.

Costain has asked McBride Partnership to act for three subsidiaries: Costain Mining, Foundation Engineering and Pilcon Engineering.

A. and F. Pears is spending £200,000 in the first quarter on promoting Lasting Care hand lotion and Pears soap in women's magazines. Further bursts are planned.

The Institute of Marketing, in conjunction with its marketing education group, is launching "Marketing awards of the year." Lord Robens will be chairman of the panel of judges.

New members of the council of the Advertising Standards Authority are Antony Newton MP, Christopher Cory and the Rev. Paul Flowers. Mr. Newton is the Member for Braintree, Mr. Cory is a director of John Cory and Sons, and Mr. Flowers is a Methodist chaplain to the University of London.

Lunch "à la Carte" and know the price at the HUNTING LODGE

16 Lower Regent Street, London, S.W.1 Telephone: 01-930 4222

Enjoy the finest English fare in the superb surroundings of the Hunting Lodge. Try our new idea in eating, "à la Carte at a fixed price."

Choose 3 courses and coffee from an excellent selection of dishes including our famous Roast Beef from the trolley.

Only \$5.25 inc. VAT

Southern made Hillspan's industrial buildings bigger.

Early television campaigns on Southern Television had successfully promoted the Hill Construction Company's agricultural building business. Too successfully, perhaps. For their 1976 campaign of 15 and 30-second spots on Southern, Hill were keen to promote the Hillspan industrial buildings which now account for two-thirds of their business. The campaign, staged by Lonsdale Osborne, was another undoubted success. Hill were pleased at the contacts it gained, and the reputation it made them. More important, they were delighted to receive enquiries from an influential band of businessmen—those who work in London but live in the South. These men watch their television in the South too!

SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing & Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

EVERY SYMBOL TELLS A SUCCESS STORY.

Over twenty years ago when we organised our first exhibition we created an individual and unique identifying symbol.

Every exhibition that followed was coded with its own symbol.

The symbols produced over the years illustrate the wide variety of different industries in which ITF are involved.

ITF are now the World's largest independent exhibition organisers, and provide a total service to industry; total professionalism in planning; in promoting visitor attendance; specialised teams for every exhibition, consultation with industry advisory groups.

All part of the ITF service that brings top calibre buyers and visitors to each exhibition, giving exhibitors every facility and the freedom to concentrate on the real business of successful selling.

These are the hallmarks of an ITF exhibition. ITF events reflect industry's needs and can be either small highly specialised events, major public shows, or huge International Exhibitions anywhere in the country.

ITF's programme also encompasses British Industrial Exhibitions, organised for the BOTB in many overseas centres, including Caracas, Kuala Lumpur, Jakarta, Shanghai, São Paulo, Peking, Buenos Aires and Bucharest.

The next such event will be held in Mexico City in November, 1978.

Industrial and Trade Fairs Limited. Head Office: Radcliffe House, Blenheim Court, Solihull, West Midlands B91 2BG. Tel: 021-705 6707. Telex: 337073. Cables: Indatfa Solihull. London Office: 9 Argyll St, London W1Y 2HA. Tel: 01-437 1622.



THE SYMBOL OF GOOD BUSINESS

A setback for Italy's drug pirates

By A. H. HERMANN, Legal Correspondent

the Italian Constitutional Court. According to reports the Court has now made up its mind to admit pharmaceuticals to patent protection through the back door.

Although in Italy law serves rather than rules, Italian lawyers have obviously lost none of the ingenuity demonstrated by their ancient Roman counterparts in the use of legal technicalities. The Italian law teachers of Bologna, the judges of the Constitutional Court will be able, it seems, to delete Article 14 of the Patent Act on the simple grounds that it infringes the equality of citizens before the law, which is guaranteed by the Constitution.

It is held to be unfair that phar-

Frustrating

Will that be enough to provide effective protection to foreign researchers and to stimulate Italian research? Not if things are as present. The combination of long delays in the registration of new products by the Italian health authorities and of short "non-exploitation"

is day's

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calibre in to-day's line up. Arctic Heir should gain an overdue success if his jumping does not let him down as it did in Ascot's SGBB Chase before Christmas. I would make him to give his shrewd owner-trainer another success—possibly at the expense of another sometimes chancy jumper, course winner Coffee Bean.

Royal Frolic, rated by many

RACING

BY DOMINIC WIGAN

is the principal stumbling block between Midnight Court and a Cheltenham Gold Cup victory priced at 20-1 not many weeks ago, should land the John Bull.

The Fred Rimell-trained nine-year-old, who travels down from Worcestershire, came right back to somewhere near his best when

Arctic Heir is day's best bet

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The Fred Rimell-trained nine-
year-old, who has won the
Worcestershire, came right back
to somewhere near his best when
defeating Cancellio by 13 lengths
in a match for Doncaster's Blyth
Chase eight days ago. It will be

best" starring Car Grant, Sophia Loren,
1968" Review: Cement and coal. 10.30
Channel news and weather. 10.42 Focus
on Wildlife. 11.10 TV Movie: "Lass
Draught and Dark." 12.30 a.m. News and
weather in French.

GRAMPIAN

9.25 a.m. First Thing. 1.20 p.m.
9.25 a.m. This is Your Right. 4.00 Gramman Today.
9.40 a.m. Rugby. 5.15 Newsweek. 6.00
a.m. Reflections. 10.45 Sportscast. 11.25
Saretha.

GRANADA

1.20 p.m. This is Your Right. 3.20
a.m. Looks Familiar. 4.20 Code R. 5.20 This
is Your Right. 5.15 Newsweek. 6.00
a.m. Granada Reports. 8.30 Extraordinary Farm.

RACING

RACING

BY DOMINIC WIGAN

was the principal stumbling block between Midnight Court and a Cheltenham Gold Cup victory priced at 20-1 not many weeks ago, should land the John Bull.

The Fred Rimell-trained nine-year-old, who has won the Worcester, Worcestershire, came right back to somewhere near his best when defeating Cancellio by 15 lengths in a match for Doncaster's Blyth Chase eight days ago. It will be

best starting Gary Grant, Sophia Leach, 10.30
Post Time: Cement and coal, 10.30
Channel news and weather, 10.42
On Wildlife, 11.10 TV Movie: "Last Drought and Dark," 12.30 a.m. News and weather in French.

GRAMPIAN

9.25 a.m. First Thing, 1.20 p.m.
Gramplan News, 6.50 Gramplan Today, 7.50
Best, 7.50 and Victory News, 8.00
10.40 Reflections, 10.45 Sportscast, 11.25
Sareta.

GRANADA

1.20 p.m. This Is Your Right, 3.20
Looks Familiar, 4.20 C.R. 5.30 This
Is Your Right, 5.35 Crossroads, 6.00
Granada Reports, 6.50 Numerical Farm, 7.00
Macmillan and Wife, 10.40 What's
11.05 What the Papers Say, 11.25
Quincy.

HTV

1.20 p.m. Report West Headlines, 1.25
Report West Headlines, 2.00 Women
Only, 3.50 Betty's Lot, 4.20 Dragnet, 4.50
Scotland Today, 6.20 Carrot, 7.00
15 Inki at the Circus, 5.20 Crossroads, 6.20
Report West, 6.30 Report Wales, 6.40
5 Best, 7.50 and Victory News, 8.00
10.40 Macmillan's "The Creation,"
11.05 Cinema/Wee-as-Hi HTV general
service, 11.25-11.35 a.m. Newsday
11.40-11.50 p.m. 4.20-4.30 "Malicious
Prosecution" 5.00-5.15 a.m. Newsday
5.15-5.30 p.m. 4.20-4.30 Sports Action,
HTV West-as-Hi HTV general service
11.25-11.35 a.m. Newsday
11.40-11.50 Sports West.

SCOTTISH

1.25 p.m. Scottish news, weather and
sport, 2.00 Women Only, 5.35
Entertainment, 5.50 Crossroads, 6.00
Scotland Today, 6.20 Carrot, 7.00
Numerical Farm, 7.30 Charlie's Angels,
7.40-7.50 Cinema/Wee-as-Hi Wish You Were
Here, 11.30 Late Call, 11.45
p.m. Cinema: "Cry of the Banshee,"
Arriving Victoria.

SOUTHERN

1.20 p.m. Southern news, weather, 2.00
Women Only, 5.30 Carrot, Local News,
5.50 Crossroads, 6.20 Day by Day, 6.30 Un-
derground, 6.40-6.50 Cinema/Wee-as-Hi
9.00-9.10 Newsday, 9.15-9.30 Rising Pamp,
10.00 Police Force, 11.00 Southern news,
11.20 What the Papers Say, 12.10 a.m.
television, followed by C.R. the Chief
Cabbie.

used me when chasing home
ster Spy in the Mandarin
use at Newbury on New Year's

the principal stumbling block between Midnight Court and a Cheltenham Gold Cup victory was announced at 20 minutes to 10 o'clock, should land the John Bull.

The Fred Rimell-trained nine-year-old, who travels down from Worcestershire, came right back to somewhere near his best when defeating Cancellio by 13 lengths in a match for Doncaster's Blyth Chase eight days ago. It will be

GRAMPIAN

9.25 a.m. First Thru. 1.20 p.m. Gramscrampan News. 6.00 Gramspan Today. 7.00 Breakfast. 7.30 Mystery Movie. Columbo. 8.00 Mamulian and Wife. 10.40 What's in the News. 11.05 What the Papers Say. 11.25 Barretta.

GRANADA

1.20 p.m. This is Your Right. 3.20 1.20 p.m. News. 4.00 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 News. 7.15 What the Papers Say. 11.05 What the Papers Say. 11.25 Quinley.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women's Hour. 3.50 News. 4.00 News. 4.15 The Dog Watcher. 4.45 The Lost Ladies. 5.35 Best at the Circus. 5.50 Crossroads. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 12.55 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 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The Fred Rimell-trained year-old, who travels do-

goud, Inland and the Joan Hall.

The Freds. Kimmell-trained nine-year-old gelding who was born in Worcester-shire, came right back to somewhere near his best when defeating Cancellio by 12 lengths in a match for Doncaster's Blyth Chance Eight days. C. will be back in the ring.

GRAMPIAN

9.25 a.m. First Thing. 12.30 p.m. Gramplan News. 6.00 Gramplan Today. 6.00 Gramplan News. 6.30 Commercial Farm. 6.30 Macmillan and Wife. 10.40 What's Your View. 11.05 What the Papers Say. 11.25 Saturday.

HTV

1.30 p.m. Report West Headlines. 1.35 Report West Headlines. 2.00 Women's Hour. 3.50 Betty's Lot. 4.20 Drum-mint! The Dog Watcher. 4.45 The Lost Land. 5.00 The News. 5.15 The News. 5.30 Report West. 6.30 Report Wales. 6.55 Best in the West. 7.05 Mystery. 7.15 The News. 7.30 The Cream. 7.40 HTV Cymru/Wales—as HTV general coverage. 8.15-8.25 a.m. Poldarion. 8.30-8.45 a.m. Dydd. 9.00-9.15 a.m. HTV News. 9.30-9.45 a.m. Lloegr. 10.00-10.15 a.m. HTV general service. 10.30-10.45 a.m. Report West Headlines. 10.45-10.55 a.m. Sport West.

SCOTTISH

1.30 p.m. Scottish news, weather and sport. 1.45-1.55 p.m. Scottish news. 2.00 Professor Nigel. 3.20 Crossroads. 4.00 The News. 4.15-4.30 p.m. The News. 4.30-4.45 p.m. The News. 4.45-5.00 p.m. The News. 5.00-5.15 p.m. The News. 5.15-5.30 p.m. The News. 5.30-5.45 p.m. The News. 5.45-6.00 p.m. The News. 6.00-6.15 p.m. The News. 6.15-6.30 p.m. The News. 6.30-6.45 p.m. The News. 6.45-7.00 p.m. The News. 7.00-7.15 p.m. The News. 7.15-7.30 p.m. The News. 7.30-7.45 p.m. The News. 7.45-8.00 p.m. The News. 8.00-8.15 p.m. The News. 8.15-8.30 p.m. The News. 8.30-8.45 p.m. The News. 8.45-9.00 p.m. The News. 9.00-9.15 p.m. The News. 9.15-9.30 p.m. The News. 9.30-9.45 p.m. The News. 9.45-10.00 p.m. The News. 10.00-10.15 p.m. The News. 10.15-10.30 p.m. The News. 10.30-10.45 p.m. The News. 10.45-11.00 p.m. The News. 11.00-11.15 p.m. The News. 11.15-11.30 p.m. The News. 11.30-11.45 p.m. The News. 11.45-12.00 p.m. The News. 12.00-12.15 p.m. The News. 12.15-12.30 p.m. The News. 12.30-12.45 p.m. The News. 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presence of the extremely
nted Master Spy.

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This time towards a solution giving greater weight to the need of businessmen to know what they are doing.

The dispute in which this promising judgment was given is between a French manufacturer, Bouyer, and its Belgian distributor, De Bions, whom Bouyer appointed in 1959 as its exclusive agent in Belgium, Luxembourg and Belgian Congo (now Zaire). The agreement, originally concluded for three years,

had been tacitly extended until 1973, when it was ended. This resulted in a claim for compensation, to which an agent is entitled under Belgian law upon unilateral termination of an "undeterminate" agreement.

Exemption

Exemption

The French manufacturer's defence was that Belgian courts cannot draw any conclusions from this agency agreement because it had been invalidated by the EEC rules of competition. The Agreement had been notified to the EEC Commission in 1963 and the Commission later wrote informally to the parties, telling them that after preliminary examination the agreement appeared to benefit from the general exemption of certain

fully valid until the Commission has decided otherwise.

That means that the court has replaced the "provisional validity" of these agreements by full validity. It is even more important that the Court is reasoning which should benefit also new notified agreements which now enjoy the peculiar status of "provisional validity." One must hope, then, that the Court will soon be given the opportunity to rescue from limbo these rather numerous agreements.

The agony of choosing

of family or (very) close friends, and if all members of the party are skiers, then France offers a great deal. If you are alone, or want to meet people, then France is not really for you. Look instead to Austria, to Spain or, if your pocket runs to it, to Switzerland. In these countries you can holiday cheaply in their country which, if you like the life of a hermit, may be true. If you prefer to eat and drink in any sort of style you will

reports published in the quality dailies and with the aid of information in the brochure (Inghams in particular has a very helpful chart on the way the slopes face and the facilities boasted by resorts). Winter sports brochures are often more helpful than those for summer counterparts.

If all that sounds alarming, it is worth pointing out that, as the best ski trips have been those with an element of

WINTER SPORTS

land than anywhere else—but really had ski holiday—which more than can be said about some so called sunshine trip. Snow or no snow, there's something about the mountain which makes it fun.

WINTER SPORTS

BY ARTHUR SANDLES

SNOW REPORTS

Depth (ins.)	State of
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SNOW REPORTS

BY ARTHUR SANDLES

the cost will also be higher.

In your debating about which ski resort to choose do not rely too heavily on your travel agent, unless you have a special understanding with him. Very few travel agents have any real interest in skiing, and certainly not to the extent of knowing where the snow is good so far this year or what resorts are best for which standards of skier. You'll get much more help from a study of the snow

	Depth (ins.)	State of piste
	I. II.	
Adelboden	8 24	Good
Andermatt	20 40	Fair
Avoriaz	28 36	Fair
Bormio	6 20	Bad
Champery	12 20	Good
Courchevel	16 36	Fair
Flims	10 32	Good
Garmisch	8 20	Good
Grindelwald ..	6 14	Good
Gstaad	6 20	Good
Murren	16 38	Good
St. Anton	20 60	Good
Verbier	4 48	Good
Zermatt	2 16	Fair

LA REDOUTE

LA REDOUTE

In his end of year's letter to shareholders, Mr. Henry Pollet, Chairman and Managing Director, presented the Company's activities for the first six months of the financial year 1977/78 (i.e. March-31st - August) and commented on the Group's results as at November 30, 1977.

For the first six months of the financial year, LA REDOUTE S.A.'s turnover including tax, amounted to Frs. 1,188 million against Frs. 1,028 million, an increase of 15.6% as compared with the same period the previous year.

Trading profits reached Frs. 27.9 million against 24.5 million, an increase of 14% and net profits Frs. 14.2 million against Frs. 12.4 million, an increase of 14.6%.

At November 30, 1977, the turnover including tax amounted to Frs. 1,986 million, an increase of 18.8%. However, pre-tax, the increase in turnover was 15%, corresponding to the progression forecast for the whole financial year.

The consolidated turnover for the REDOUTE GROUP, including tax, reached Frs. 1,442 million for the first six months of the financial year 1977/78 and Frs. 2,400 million at November 30, 1977.

Adding into account the turnover of LA REDOUTE of its shareholding in EDICLUB-ROMBARDINI and neutralising the corresponding share in turnover, the increase in activities of the Group reached 15.3 % at 31st August, and 12.5% at 30th November.

The Board decided to pay, as from January 9, 1978 the balance of Frs.2 net on account of the dividend of Frs.18 net attributed to the shareholders by the Annual General Meeting of July 28, 1977.

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Thursday January 12 1978

Steel—time for decision

THE GOVERNMENT has been put on a spot by the latest report from the Commons select committee on nationalised industries. The committee is asking for a full Commons vote on the Industry Secretary's refusal to comply with its request for the papers relating to the British Steel Corporation's deepening financial crisis which have passed between him and the Corporation. It is concerned, first, to establish why the Corporation failed to warn the committee of the extent and rapidity with which its finances were likely to deteriorate when it gave evidence to the committee last May. It believes either that the Corporation's forecasting system is woefully inadequate or that it had deliberately misled the committee and perhaps Whitehall departments as well. Secondly, the committee has been annoyed by the refusal by all concerned—Ministers and Corporation alike—to reveal details of the options they say they have been actively discussing. Information which it believes the House is entitled to have in order to have an informed debate.

Attention

The Corporation's chairman, Sir Charles Villiers, came back on both points last night. His line throughout has been that solutions, which must inevitably involve plant closures and reduced manning levels, are more likely to be achieved by private negotiations with Ministers and the unions. As for the Corporation's ability to forecast the crisis, he points out that he did warn the Committee that steel, unlike other nationalised industries with which the select committee deals, is in a manufacturing sector heavily subject both to sharp demand cycles and world market competition.

For the moment, however, it is Ministers not Sir Charles who are in the pillory. If the Commons were to approve the select committee's motion—and on a matter involving the prerogatives of the House the Government cannot be certain of getting its way—it will not be easy for Ministers to sustain their refusal without adopting some contrivance, such as declaring the papers concerned Cabinet documents. More than that, by opening up the whole issue of the Corporation's losses—now running at around £10m, a week—the select committee has

made it that much harder for Ministers to defer politically awkward decisions until after an election.

The constitutional issue raised by the select committee is a complex one. It would of course do no one any good if confidential matters became public knowledge in ways that made it even harder to complete sensitive negotiations, but Commons committees have an established procedure for excluding sensitive information from their reports and it has worked successfully on a wide range of subjects including defence. In any case, it would be a pity if the importance of this particular issue were to divert attention from the rest of the select committee's report for it has made a lot of highly sensible points.

A careful reading shows, for example, the extent to which successive governments are to be blamed for the Corporation's present situation. The world steel recession may be the immediate cause, the Corporation's performance may have been weak in many ways, and the unions may be faulted for refusing to co-operate in improved manning and better working practices. But the Corporation's development programme has been repeatedly delayed, it has been forced to keep open obsolete high-cost plants for employment reasons, and price restraint policies in the early 1970s forfeited revenue which would have reduced borrowings and the present heavy burden of interest charges.

Better

To meet the present crisis, the committee says—and rightly so—the Corporation must be allowed to close down plants, negotiate much lower manning levels, and cut its investment programme. For the longer run, the Government must put its relations with the Corporation on a proper footing. It should set a coherent set of objectives, stick to them, and having appointed a chairman and a Board—back them or sack them and avoid intervening. This is a line the select committee has been arguing consistently since the 1960s. The tragedy is that if it had been adopted by successive governments, the Steel Corporation would have been in a much better position to weather the present storm.

Thunder on the French Right

WITH the French election campaign gathering momentum, the outcome of the crucial March poll has never looked less certain. A year, even six months ago, the odds seemed to be leaning heavily in favour of the Socialist-Communist Union of the Left. When the Union split apart in the autumn the pendulum started moving back towards the governing Centre-Right majority. Until only a few days ago the anti-Left forces were showing increasing confidence that they might in the end emerge quite handsome victors.

Anti-Gaullist

Now such hopes have once again been shaken. With yesterday's announcement by M. Jacques Chirac, the Gaullist leader, that his candidature would fight against those of the rest of the majority throughout France, the split in the ranks of the centre-right is looking almost as serious as the rift in the Left. M. Chirac's action is in response to the decision of the Centre-Right and Giscardians to field their own joint candidates in the many constituencies where no accommodation could be reached with the Gaullists, a move he has denounced as the formation of an anti-Gaullist front inside the majority. His decision does not rule out the fielding of joint candidates of the majority in the second round, but it is bound to be a severe blow to the Government in the first.

M. Chirac's angry reaction follows a series of incidents in recent days that he has clearly found highly provoking. The Gaullists were not pleased by President Carter's suggestion to M. Mitterrand, the Socialist leader at the end of last week, that the Communists, this smacked to them of their old bogey of American interference in French affairs, with they suspected, the connivance of President Giscard d'Estaing. Nor did they appreciate M. Giscard d'Estaing's decision to give M. Raymond Barre, the Prime Minister, the task of launching

the Government's electoral programme in Blois at the weekend.

Episodes such as M. Barre's Blois speech and the electoral alliances between Centre-Right and Giscardians are not just irritating to M. Chirac in themselves. Behind them he clearly sees fresh evidence of a grand Giscardien design under which a strong new group in the centre of French politics would team up with the Socialists in a future Centre-Left coalition, drifting Gaullists and Communists into opposition.

It is hard to see, however, such an alliance emerging from the coming elections. M. Mitterrand wants to be Prime Minister, but he does not want to damage his credibility as a champion of the Left by relying on the support of parties to his right. That would be playing into the hands of the Communists by allowing them to claim sole leadership of the country's genuine left-wing forces. Indeed, though the Communists are rebuffing him, M. Mitterrand is still maintaining his readiness to lead a Union of the Left Government if the two parties together gain a majority of the seats in the new Parliament.

Confrontation

The Communists, however, are making it quite clear that they will only join a Government in which they have a strong influence. For the moment, the likely Communist share of the poll does not look like making them more than a junior partner in such a coalition. So the most likely outcome remains either an uneasy coalition of the present Government and the Communists, or, if the in-fighting on the Right continues, a minority Socialist Government, perhaps with tacit Communist support. French industry is afraid that the former would provoke a confrontation with the unions, the latter an economic crisis. Either way it looks as if President Giscard d'Estaing will be facing a difficult test of his leadership qualities.

Ulster: the foreseeable surprise

By GILES MERRITT, Dublin Correspondent

THE BRITISH Government, observers are beginning to suggest in Belfast and Dublin, has miscalculated in the North and misjudged Mr. Jack Lynch in the South. This afternoon, when the Northern Ireland Secretary, Mr. Roy Mason, makes his promised statement to the House of Commons at question time, it will probably seem more in sorrow than in anger that he lays the blame for the present Irish debate on Mr. Lynch, the Republic's prime minister. According to the British line, Mr. Lynch has either by gross incompetence but possibly by sinister design torpedoed political talks in Ulster by making controversial noises about reunification.

The impression given will be that an Irish gaffe has upset carefully laid plans for an interim settlement in Northern Ireland. That has also been the view of Ulster unionists, but there is now a growing body of opinion on both sides of the border in Ireland that Britain is at least equally responsible for the current crisis.

Caught on the hop

There is no denying that the British Government was caught by surprise last Sunday afternoon when Mr. Lynch calmly told an Irish RTE radio interviewer that he believed the time had come for Britain to indicate an interest in encouraging Irish unity, and went on to suggest that it should reconsider the "negative guarantees" under which Ulster will remain part of the United Kingdom until a majority wishes otherwise. To be fair, Mr. Lynch's colleagues and officials were also caught on the hop, for many of them had been unaware of his mounting impatience with the Ulster deadlock. As for the British Embassy in Dublin, it seems in the unhappy position of having believed that a *modus vivendi* on Ulster had been established with the Lynch Government since its election in mid-June last, only to find suddenly that such was not the case.

As one British official put it this week: "We thought we had agreed with the Irish on short-term aims (the need for an interim settlement in Ulster), and had agreed to disagree on the long-term future (Irish reunification ambitions). Now we find we disagree on both counts." If there is one thing that galls the British in all this, it is the feeling that they have been deliberately misled by the Irish.

On the Irish side, Dublin officials find it hard to believe that Britain could ever have mistaken Mr. Lynch's polite silences on the Ulster question for complaisant support.

The truth, of course, lies somewhere in between. The storm has been brewing since

Mr. Lynch took office after regaining power from Mr. Liam Cosgrave's Fine Gael-Labour coalition in a landslide election victory. Neither Dublin nor London chose to acknowledge that the return of the traditionally anti-partitionist Fianna Fail party carried the risk of Anglo-Irish confrontation. Both Governments tended to dismiss as tendentious media comments that Fianna Fail, if anything, was more hardline in its determination that Britain must eventually leave Ireland, than it had been when it lost office in 1973.

The idea that Mr. Lynch had decided to put aside his party's tough policy statement on Northern Ireland—of October 29, 1975—"a central aim... is to secure by peaceful means, the unity and independence of Ireland as a democratic republic"—gained ground when he flew to London in late September of last year to see Mr. James Callaghan. Mr. Lynch had asked for the Downing Street summit immediately after his election, but when he failed even to draw attention to his policy commitment during the day-long talks it seemed in British eyes to be a conciliatory gesture. Mr. Lynch at that time pressed for Britain to push ahead and negotiate an interim political settlement in Northern Ireland. As Mr. Mason had already mapped out a scheme for administrative devolution that might achieve a non-legislative provincial assembly, the British Government was happy to oblige.

At that point, on September 28, Mr. Lynch seemed prepared to leave Ulster alone. Immediately after his meeting with Mr. Callaghan he told RTE radio that the time had not yet come to call on Britain to declare its intention of withdrawing from Northern Ireland at some future date. "That can come in time," he said. "But we shall have to judge the climate, the circumstances in which such a request will be made... I do not know when that day will come. But in the meantime there is no point in arousing expectations that what we are asking for can be achieved. This is a question of political and ordinary judgment as to when we can move forward to that position. I am not saying that position obtains at the present time."

Administrative devolution

After the Downing Street Summit, as Mr. Mason and his officials began their tricky discussions on administrative devolution with the official Unionist party, the Democratic Unionists, the Alliance Party, and with the mainly Catholic Social Democratic and Labour Party, Mr. Lynch began to make remarks that in retrospect appear to have been hints that the time was



Smiles at the Summit in September—but disillusionment was not long delayed. From the left: Mr. Callaghan, Mr. Lynch, Mr. Mason, and Mr. O'Kennedy, the Irish Foreign Minister.

coming when he would demand the administrative devolution withdrawal. In mid-November he told an invited group of Fleet Street writers that if the administrative devolution talks failed—and he clearly expected that they would—then the Dublin Government would have recourse to its official policy. By late December, Mr. Lynch was saying, with reference to the idea that Ireland should drop its constitutional claims to Ulster's six counties, that an Irish constitution acceptable to the Unionists could only be considered when "elected representatives of the North and South get around a table to discuss the future of the country, following an indication by the British Government of its interest in moving forward by encouraging the unity of Ireland by consent and on the basis of agreed structures."

Given that Mr. Lynch had already started making such obvious references to reunification, it was understandable that the Irish Government's first reaction to the row over his broadcast last Sunday was that it contained "nothing new." Apart from the vexed question of a possible amnesty for Provisional IRA prisoners in the Republic, that was fair enough, for in the kaleidoscope of Irish politics Mr. Lynch has in the past already said all the things he has repeated this week. The point is that Mr. Lynch at time said that while the talks on administrative devolution in the North were still going on. For a man whose skill in verbal obfuscation has caused the term "lynchism" to be coined, he has clearly chosen his time to be unequivocal.

The heart of the matter is that Mr. Lynch believed that the administrative devolution initiative had broken down, while in Belfast the Northern Ireland Office maintains that it had not, and moreover that there may yet be some chance of salvaging it. Mr. Mason is expected to-day carefully to leave the door open to a resumption of talks with Ulster's four main parties once the dust has settled.

Basic system outlined

So, how advanced were the negotiations that might have restored administrative powers to Northern Ireland before the Christmas break they had reached the stage where officials, talking separately to each party, had outlined a basic system for a proportionately elected 78-seat non-legislative assembly. From there would be drawn, under a system of proportionality designed to give the SDLP guaranteed representation, committees matching each Northern Ireland civil service department. Ulstermen would thus have administrative control of housing, commerce, industry, transport, education and the like, but not of security and budgetary matters. The new assembly would also be empowered to discuss draft Orders in Council, the instruments Britain at present uses to run Ulster, and might also suggest legislation for Westminster to enact. After four years the interim system would be reviewed, and if Ulster's politicians appeared ready to legislate together in a calm and equitable way, a Stormont Government might become possible then.

The dominant official Unionists had been generally optimistic about this scheme, for it was after all their leadership's idea. It must therefore, seem incredible to outsiders unfamiliar with the bog of Irish politics that the same official Unionists have now dropped the idea, and are instead talking of integration with Britain, because Mr. Lynch mentioned power-sharing. Although the term power-sharing has been dropped from official British use because it raises loyalist hackles, it was evident to all that the essence of administrative devolution was that it was a gradualist approach to eventual Protestant-Catholic Government. Mr. Lynch's assertion last Sunday, repeated in his communiqué, that Mr. Callaghan had given him "a firm undertaking that there would be no devolved government without power-sharing" was nevertheless enough for the Unionists to take fright.

First the official Unionists and then the Rev. Ian Paisley's Democratic Unionists said that they were boycotting the talks that had been due to start again in a fortnight. In defence, the SDLP, which has never shown much faith in the idea, also withdrew. The speculation is in Belfast that Mr. Harry West and the conservative bulk of his official Unionist Party were glad of a pretext to end the negotiations before the militant loyalist Paisleyites began to brand them as parties to a sell-out. What the political tacticians still cannot understand, is why Mr. Lynch should have given them a face-saving excuse.

Fluid and worrying as the situation now is, with the Unionists turning to integration while people in the Republic begin to rally around Mr. Lynch's nationalistic stand, it probably boils down to this. Mr. Lynch's intervention was premature, but it always had been a matter of time only before he made it. Administrative devolution was never the key to unlock the intractable deadlock—just a smoke-screen that the local politicians were being offered to disguise that power sharing is the real issue. The basic differences about Ulster's future once more out in the open, but neither Government can afford to re-create the tension that the provisional IRA would once again thrive on.

An unrepentant Mr. Lynch

What is not clear is where the two Governments can go from here. In the past four days both Mr. Mason and Mr. Lynch have dug themselves into positions from which they can be extricated only with difficulty. Mr. Lynch has backed up his original interview with an unrepentant communiqué underlining his call for Irish unity: Mr. Mason's statement of Monday branding Mr. Lynch's views as "unhelpful and untimely" was yesterday followed up by a further public rebuke. On the other hand, both Governments are used to making up Anglo-Irish controversies, although it is too early to say how they will do it this time. As one Irish diplomat remarked in Dublin last night: "Nobody is sending up doves of peace yet for fear that they will be shot down."

MEN AND MATTERS

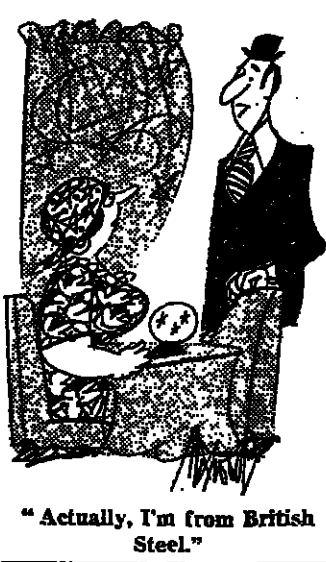
Literary realism—Kremlin style

Robert Maxwell showed a careful deference to the susceptibilities of his host, the Russian Ambassador Nikolai Lukov, when launching the new English version of Leonid Brezhnev's biography at the Russian Embassy. It was, he said, the first in a series of biographies of world leaders and would be shortly followed by that of Jimmy Carter. He refrained from adding that third in line is the biography of the Chinese leader Hua Kuo-feng.

Re did, however, refer to the Soviet leader's current illness—only to be interrupted briefly by the Ambassador who pointedly asked: "Are you infirmus proof, Mr. Maxwell?"

Having acknowledged that he, too, was a mere mortal, Maxwell went on to explain that this "authorised life story describing Brezhnev's rise from ordinary steel worker to supreme leader," as the blurb defines it, aimed at giving the English speaking world "facts about the Soviet Communist Party, its Government and people as they wish to portray themselves to us."

As such, it clearly fulfils the function of portraying the leader as he would wish to be portrayed although I thought that C. P. Snow, who made a short supporting speech, probably got closer to the heart of the problem of understanding between the "two cultures" of East and West when he bemoaned the fact that the English-speaking world knows so little about Soviet literature—which, he claimed, was among the best in the world.



"Actually, I'm from British Steel."

Cherchez la femme

President Giscard d'Estaing was elected President thanks largely to the female vote and one of his first acts was to create a "Ministry for the Feminine Condition" and even put a woman in charge of it. One of the most popular members of his present Government is Simone Veil, the Health Minister, and up to now the only ranking woman cabinet minister.

Thus, on Tuesday night the Elysee announced the promotion of three women — so giving France the most feminine Government in the world with six representatives including two of full ministers. The biggest promotion goes to 52-year-old Alice Saunier-Sieff who moves up from secretary of state to full cabinet rank as Minister of Universities. Her earliest ambition was to become an explorer but she went into the tough electoral jungle of Lorraine politics instead.

Monique Pelletier, who has somehow managed to run a family of seven children while tackling the juvenile drug problem for the last six months, has moved over to the Ministry of Justice while keeping her old position as well.

Nicole Pasquier, a former child psychiatrist, who has spent the past 18 months looking after "the feminine condition" in general will now be responsible for female employment conditions at the Ministry of Labour.

The newcomers join Christine Scrivener (Consumer Affairs) and Helene Missotte (Social Security) as well as, of course, Simone Veil, in the 41-strong Government team.

Elections are only two months away and 53 per cent of French voters are women.

Inflammatory

As the firemen prepare to go down to bitter defeat, it is worth noting that one daily newspaper has given the strike front-page backing every day for two months—and has doubtless collected adherents in the Fire Brigades Union as a result. Every day the tabloid News Line has been assiduously delivered to the picket lines and the strikers photographed around their braziers. The paper is the mouthpiece of the Workers' Revolutionary Party (the Vanessa Redgrave faction on the Trotskyite left). Looking through the latest issue to land on my desk (splash headline: "NO, NO, NO—Massive Vote Against Fire Deal") I noticed an advertisement for a series of lectures at the "College of Marxist Education" in Parwich, Derbyshire, naming Cyril Smith as the star speaker. Was it possible? I telephoned Alex Mitchell, an Australian writer formerly on the Sunday Times who is now a bulwark of

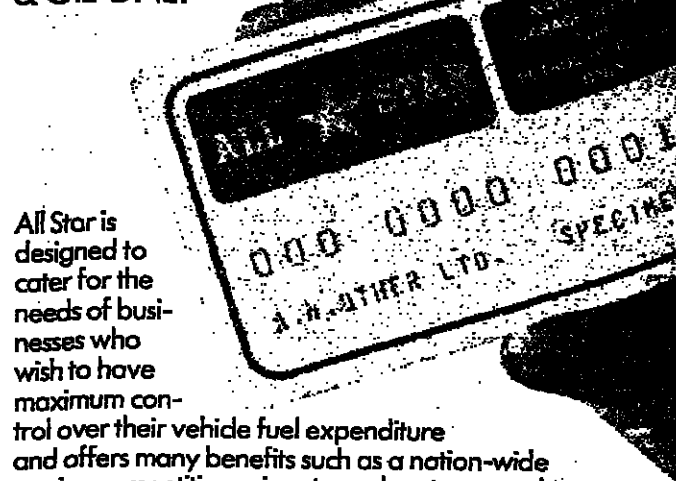
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Right policies for the wrong reasons

THE MAIN point I want to make in this article is that the world's governments have adopted broadly the right over-arching economic management policies, but partly for the wrong reasons. We thus cannot rely on the high policies continuing. But we have, come through the Middle East War, the oil prices explosion and all the other troubles which beset the industrial world in 1973-74.

Even such a qualified favourable judgment will cause eyebrows to be raised at a time of upsets in currency markets and when the world's leading currency, the dollar, is once more under pressure. On the currency front we have, in fact, been there before: with the dollar in the events leading to the Nixon floating of 1971, and with sterling on innumerable past occasions.

Swap agreements of the kind announced last week always make the headlines, and often have a temporary impact on currency markets; but they never succeed in preventing the depreciation of a currency if strong market forces are against it. Debating points about U.S. competitiveness will not stop a slide of the dollar in the face of a U.S. current account deficit of \$18bn, a liberal manufacture of new dollars which took place even under Chairman Burns, and an associated portfolio shift against the U.S. currency by holders of cash balances all over the world, including, I suspect, the U.S. itself.

Both experience and theory would, however, have taught us that currency depreciations seldom have the spectacular

Nothing gained

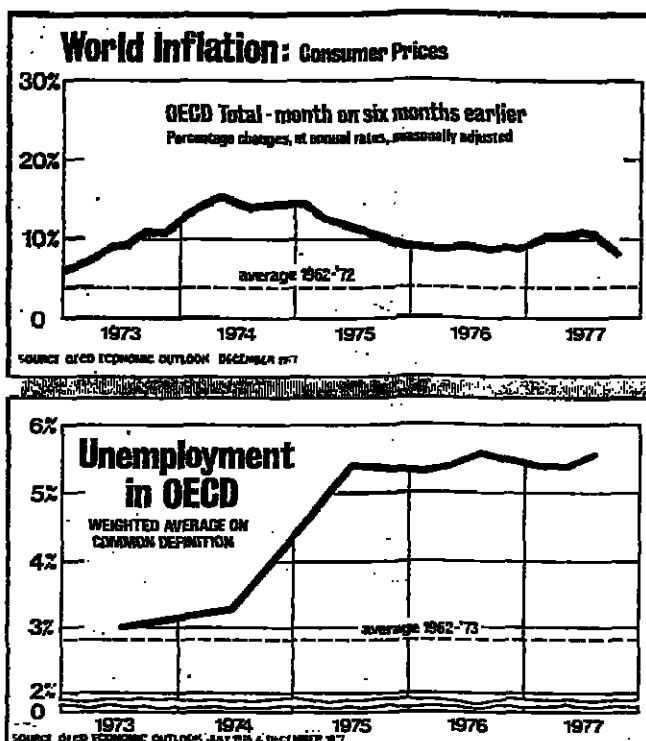
So long as separate currencies controlled by independent national authorities exist, nothing is gained by trying to hold them together artificially. If central banks are really convinced that the markets have got it wrong, they do not have to engage in highly political swap arrangements. Some straightforward market speculation in favour of the currencies believed to be too low would be both stabilising and profitable.

Changes in currency relative values have an inflationary impact on the depreciating country and an anti-inflationary effect on the appreciating one. While I should hesitate to say that the inflationary effect is yet one for one in a continental economy like that of the U.S., it is much higher than is allowed in most American forecasting models. Where dollar depreciation is given a negligible weight in the forces determining the domestic price level. The argument for

occasional depreciation is the argument for conscious acceptance of some inflation as a rational response in certain circumstances, not one for denying the inflationary impact (Readers who feel that this can never be right might invest in John Fleming's *Inflation*, published by the Oxford University Press).

From the point of view of world inflation, exchange rate fluctuations between different currencies offset each other. What matters far more is the purchasing power of the world's main real goods and services over time. The main disturbances to the world economy in the last few years have been not the changes in currency relative values but the five-fold increase in oil prices brought about by the action of the OPEC cartel in 1973-74. This led to a prolongation and intensification of an inflation which was already well under way. The rise in OECD consumer prices reached a peak of 13.4 per cent in 1974, a good deal higher than would have been expected from the preceding rate of monetary expansion. At the same time the oil revenues accrued in large part to countries such as Saudi Arabia, Kuwait and the Gulf Emirates with limited spending outlets. Thus there was a rise in the world savings propensity without an immediate and offsetting rise in investment opportunities; this probably led to the first real post-war recession to which something like Keynes's diagnosis applied.

The rise in Budget deficits was not enough to offset increased OPEC and private savings without a contraction in activity and employment. But it was quite impossible to curb



the prevailing double digit inflation without a recession. To have attempted to spend one's way out of the recession—as the so-called Keynesians were inclined to do—at a time when world inflation was in double digits would have been playing with fire and ultimately destructive of employment as well as of financial stability.

The first priority after the oil crisis was to make sure that inflation fell back from the double digit rate. A large part of the total unemployment problem—at a guess perhaps 12m out of the 15 or 16m registered workless in the OECD—reflects slow demand stimulation, and when world recovery began in 1976 they erred on what they

thought was the side of caution to prevent another inflationary take-off. Towards the end of 1977, when the feebleness of the recovery became evident and the world inflation rate was clearly well into single figures and falling slightly, there was a shift to stimulus, partly as a result of U.S. prodding but mainly for internal reasons.

The size of the very latest stimulus is probably underestimated. Governments of inflationary countries such as Germany, Japan and the U.K. all tend to predict that much of their planned expansion in spending will leak abroad in imports, which is true of any one country on its own but not of all taken together.

It is possible to argue that some Governments, such as the American or German, persisted too long with anti-inflationary policies in 1974 or that the expansionary measures of 1975 were too quickly reversed in 1976-77 in view of subsequent developments in output, employment and prices. Even with hindsight the validity of this criticism is far from certain; but in any case the assumptions on which it is based illustrated much of what is at fault with economic thinking to-day.

It is quite wrong to evaluate either government policies or the behaviour of private markets by comparison with what might be possible given perfect foresight. The judgment must be in terms of feasible information and likely risks. To have switched off anti-inflationary policies in 1974 when inflation was well into double figures on the basis of mere forecasts would have been quite the wrong way to react to the available indications. A more worrying matter is

the creeping, case-by-case protectionism infecting the world. The surprising feature is that it has not been even more severe than it has, given the severity of the world recession and the producer bias of modern politics. Unfortunately the protectionist threat is being used by people who still do not understand why post-war full employment policies have broken down as a pretext for urging stronger governments. The levelling off or slight fall in world inflation—which remains even if erratic food price movements are allowed for—suggests that unemployment may be above its sustainable rate; it is reasonable to try to stop the rise and adopt fiscal and monetary policies which might bring about a modest and gradual decline. But anything more ambitious would require tackling the rigidities of national labour markets.

Old mistakes

At the moment not only are most governments easing their fiscal policies. The conventional indicators are also understating monetary growth. In the U.K., for instance, the normally quoted M3 increase is much lower than that of other monetary measures or of the reserve assets of the banking system. Such "errors" may be benign for a very short period—providing expansion without regulating inflationary expectations. But if they are persisted in once their existence is realised we will risk repeating all the old mistakes.

The immediate danger is of rising world unemployment giving a handle to protectionist and wasteful make-work pro-

grammes. The longer-term danger is still that of excessive financial stimuli triggering off another round of world inflation as in 1972-73. The main country where the underlying rate of inflation has started to rise again, and to which the case for a boost least applies, is the U.S. But it is paradoxically now the country whose Administration is still most in the grip of the outmoded British-style demand management philosophy which proclaims that government can spend their way to target employment levels. Indeed the Carter economic team is very much the Lyndon Johnson one with a new name at the summit.)

For the time being, the pre-occupation with the overseas value of the dollar and threats of the Saudi Arabians are likely to lead to policies not very different from those which a re-elected Ford Administration or a reappointed Burns might have followed. Indeed, Professors Friedman and Schwartz are in almost word-for-word agreement in the current issue of *Newsweek* that (future) historians looking only at financial or economic charts would not know that there had been a change at the Fed.

Thus lucky accidents and the offsetting effects of combining political pressures and prejudices and the effects of market forces on currency values have led the Western world's economic managers to policies, in advance of their own understanding. But for the longer haul we cannot rely on such good fortune; and we will need both better understanding and long-term guidelines to reduce the impossible load of discretionary decisions now placed on world leaders.

Letters to the Editor

Living with a strong pound

From the Senior Economist, *Bankers Trust Company*.
Sir—Mr. Tim Congdon's exhortation of the relationship of monetary policy to exchange rates (January 9) is strongly agreed. But I do not understand why a lower value of the pound will raise the real value of money balances and other liquid asset holdings. Surely, all that a lower rate of inflation does to the existing stock of monetary balances is slow down the rate of decline of their real value, not to increase it. It would require negative inflation (that is, falling prices) to bring about a rise in the real value of monetary balances, and I am sure that Mr. Congdon does not expect Mr. Askey's fight against inflation to be quite as successful as that.

Perhaps what Mr. Congdon is saying is the possibility that inflation has now dropped below a rate at which nominal money balances are being built up, so that the real value of incremental monetary balances will rise. If so, I should think that the effects of this change will be by no means as strong as he suggests.

F. V. Ashby, *Bankers Trust Company*, Queen Victoria Street, E.C.4.

Exchange rate debate

Mr. D. McWilliams.
Sir—Mr. Congdon's comments (January 9) cannot be allowed to go unchallenged, for his suggestion that a lower exchange rate is contractionary in the short-term and his assertion that a view of the majority of economists "is an incorrect one" are seriously misleading. Mr. Congdon's analysis of the effects of different exchange rates is conducted as if exchange rates were determined in a vacuum. Because he ignores the economic factors that affect exchange rates, he fails to distinguish between the different uses of exchange rate movements and the different consequences associated with them. Three main causes of change in the pound are a shift of demand away from the U.K., expansionary domestic demand management policies, or change in the extent of Government intervention in the

exchange markets. A shift of demand away from the U.K. might be expected, either directly, or through induced policy, to lead to both a contraction in domestic demand and a fall in the pound in the short-run. More expansionary domestic demand policies, on the other hand, might be expected to lead to a higher level of output and a fall in the pound. In the third situation, the direction of the short-run effects on demand of a fall in the pound is not clear, the expansionary effects of the induced increase in net exports being offset by the contractionary effects of the lower real incomes and possibly tighter monetary policy, although the change in the degree of Government intervention in the foreign exchange market to give a lower value of sterling would tend to have expansionary monetary effects.

The argument in Mr. Congdon's letter appears to refer to the third case, but his example of the U.K. performance over the past two years appears to refer to the first case. The "exchange rate debate", however, at the moment, largely concerns the second case, where a fall in the pound would be associated with an expansion of demand, rather than with a contraction, as implicitly referred to by Mr. Congdon.

D. McWilliams, 382, Shakespeare Tower, Barbican, E.C.2.

In the heart of London

From the President, *The Oxford Street Association*.
Sir—The recent British Tourist Authority magazine carried an article "Retail Trade and the overseas shopper" in which it was stated that an Oxford Street retailer estimated that about 70 per cent of 1976 summer sales business was with overseas tourists. Arthur Sandles, in discussing 1977 tourist figures (January 22), estimates that "London's Oxford Street stores look to tourists for as much as 70 per cent of their business."

I would be obliged if the record could be clarified, not least because our regular British customers still provide the vast bulk of our business. Of our members' total turnover of £1.6bn-£1.7bn in 1977, some £250m, that is about 15 per cent, came from tourists. This equates to one-third of all tourist

spending in shops in Britain and heavily emphasises Oxford Street's claim to be the premier shopping street in Europe as well as the "Heart of British Retailing".
Harry Shepherd, 43, South Street, W.1.

Always a loser

From Mr. J. Cawdry.
Sir—Along with friends and relatives I have been trying to win our Saturday prize crossword for ever since it started. As, not one of us has been successful. Multiple entries and a variety of postmarks have been of no avail. Consequently, I have done a geographical survey of all the winners in 1977. London comes out on top with 12, followed by Surrey (8). There were 19 winners from the whole of Scotland. The rest were evenly scattered, while Nottinghamshire, Cornwall, Derbyshire, etc. were barren areas. Incidentally, excluding Christmas, there were 48 crosswords, bearing in mind that there was no Financial Times for a short period. Out of the 144 winners, 88 were men and 55 women, which only goes to show that it is still a man's world.

J. A. G. Cawdry, "Hillside", 11, Blackley Road, Elland, West Yorkshire.

Natural power

From Mr. P. McCleary.
Sir—In "Men and Matters" (January 6) there is a very misleading piece about the large American wind generator constructed many years ago in Vermont. Your report states that this machine was built in 1946 and "worked beautifully until one of the 80 feet long propellers came adrift." Apart from the date being inaccurate the implication that a price comparable to that of home manufactured footwear, barring indiscriminately certain articles which are not currently produced in the U.K., will create shortages and deny the public the right of free choice and above all be inflationary. Mr. Calvert's observations about trade markups is not correct because the same markup is applied to all goods, whether it be British made or of foreign origin.

The facts are these: In 1939 the American engineer, Palmer Putnam, designed a 1.25 MW wind generator with two 87 feet steel blades, each weighing eight tons. This machine was commissioned at Grandpa's Knob on August 22, 1941, and began generating electricity which was fed directly into the grid of the

Central Vermont Public Service Company. Because of the war, however, the designer had problems getting all the right materials and was forced to cut corners to get the generator finished before surplus war materials completely. As a result stress cracks appeared around the rivet holes and although these were noticed very early on, Mr. Putnam could not get any more materials to replace the blades. To nobody's surprise the blades eventually disintegrated. The project was later abandoned because windpower could not then compete with cheap fossil fuels.

The situation no longer applies and we are likely to see a rapid expansion of the use of windpower, both privately and publicly over the next ten years. Using wind to generate electricity is nothing new of course, we are just rediscovering long forgotten skills. Few people know, for instance, that by 1916 Denmark had over 1,100 wind generators producing electricity. Paul McCleary, 161, Clarence Street, Kingston-upon-Thames, Surrey.

Imports of footwear

From the Chairman, *Edwards Adler*.
Sir—I read Mr. Calvert's letter (December 21) with some amusement because many salient facts were omitted. To arrive at a logical conclusion one must first ask the question why are our imports successful? The answer is because they provide a reliable service and a competitive product. It is the British Importers Confederation's policy to oppose unfair trade and dumping. Likewise the BIC is bitterly opposed to and will continue to oppose protectionism.

Many types of footwear coming from the Far East cannot be produced in either the volume or at a price comparable to that of home manufactured footwear. Barring indiscriminately certain articles which are not currently produced in the U.K., will create shortages and deny the public the right of free choice and above all be inflationary. Mr. Calvert's observations about trade markups is not correct because the same markup is applied to all goods, whether it be British made or of foreign origin.

There is not a case for restricting guaranteed pension increases to the figures used by the Government when estimating the analogue costs of the public sector schemes? If the GA predicated 84 per cent interest, 7 per cent inflation, 5 per cent increase in RPI in suggesting (to the Expenditure Committee) a "contribution" of about 3 per cent by civil servants for indexation and this is the correct figure in the circumstances, the pension increases should be limited to 5 per cent, and only the first 7 per cent of salary increases should be eligible for pension unless interest rates rise abruptly. If more is wanted, should not salaries be adjusted to "pay for it"?

The rest of the public sector could be treated in the same way if the cost of contribution for increased pension was borne equally by employer and employee, but of course the private sector would have to be allowed to make tax concessions to enable them to keep up. With the cost of indexation becoming quantifiable, how much longer can the public sector's privileged position be justified to the electorate?
A. W. Furze, *Nerquis, Mold, Chwyd.*

The BIC has produced a very comprehensive document which states the case for importing footwear. If Mr. Calvert would care to study this, in conjunction with its own annual review on the British footwear industry, there is nothing which would indicate that this protectionism is of benefit to employment in the British footwear industry. The system adopted in the United States has proved far more successful where the onus was put on importers to make orderly reductions by voluntary quotas. This is what should have been offered to British importers and perhaps then everybody would have been happy and the consumer benefited, which must be the ultimate aim of anyone in a retail service industry.
G. R. Adler, *International House*, 19 Colindale Avenue, N.W.9.

Saving fuel

From Mr. J. Goodland.
Sir—Professor Thring's letter ("Fuel saving structure," January 9) is perplexing. His third paragraph seems to suggest a general fuel tax (which he calls a tariff), but in the last paragraph he proposes a high penalty imposition only on domestic and vehicle fuels, used in excess of some kind of ration. A composite energy ration cannot be fair (even if it could be administered) every person, household, establishment or factory has its own peculiar mix of different fuels, needs and uses. It would surely be better to tax the non-renewable use of premium fuels (and the equipment when purchased), say natural gas for space heating, and use the proceeds for both conservation, such as the useful application of waste heat from power stations, and the development of renewable sources of energy.

As our reserves of coal (so the Govt's chief geologist assures us) are virtually limitless, if we could only gain access to them, Professor Thring's mechanised mole would be a far better wheeze than taxing coal, rationing electricity or rationing black market petrol coupons. Given enough coal (together with conservation and renewable sources of energy) we would enjoy all the solid fuel, oil, gas and electricity we could possibly need.

I find your summary (January 9) of the Conservative Political Centre's booklet on energy policy even more perplexing, and ambiguous about coal. If the future of the coal industry is really so hazy, indeed "a declining force in energy supply," once uranium, oil and natural gas have run out—it is difficult to know which major energy source could be called clear: certainly not nuclear. Give me Thring's mole any day!
J. H. Goodland, *Doom House, Pyleigh, Taunton, Somerset.*

Tax on a product

From Mr. T. Wainwright.
Sir—With reference to Mr. Peter Parker's comments (Jan. 10) on his proposal to increase petrol by 15p a gallon. As the former chairman of a well known glass company, I would like to have heard his reaction if it had been proposed, that in order to conserve natural resources, his company products would be levied with a 20 per cent tax. His competitors would have laughed all the way to the bank.
T. A. Wainwright, "Pippins", 8, Hermitage Drive, Twyford, Berkshire.

To-day's Events

GENERAL
Government White Paper on public expenditure.
Prime Minister on visit to Pakistan.
Resolved Fire Brigades' Union conference at Bridlington considers recommendation by its executive for return to work.
National Union of Mineworkers' executive meets London.
Talks aimed at resolving strike at Leyland's Speke, Merseyside, factory resume at London offices of Advisory, Conciliation and Arbitration Service (ACAS).
Mr. Robert Strauss, U.S. special trade representative, holds talks in Tokyo on ways to reduce Japanese trade surplus.
De-briefing meeting of London Chamber of Commerce trade

PARLIAMENTARY BUSINESS
House of Commons: Mr. Roy Mason, Northern Ireland Secretary, makes statement on Government attitude to Irish unity. Following comments made last week-end by Mr. Jack Lynch, Irish Premier, European Assembly Elections Bill, committee.

Select Committee: Expenditure
(Trade and Industry sub-committee). Subject: The Fishing Industry. Witnesses: Scientists from MAFF and IAFS Laboratories; Shellfish Association of Great Britain; Shellfish Processors Association and Scottish Fisheries Federation (10.15 a.m., Room 10).
COMPANY RESULTS
English China Clays (full year), Scottish and Newcastle Breweries (half-year).
COMPANY MEETING
National and Commercial Bank, Edinburgh, 12.
Sponsor: King's Cup, Great Britain v Spain, Sheffield (6.45 p.m.). Table tennis: International championships, Brighton (9 a.m.).



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COMPANY NEWS + COMMENT

McCorquodale soars to £3m. — confident

ALMOST TREBLE taxable profit from a depressed £1.03m. to a record £3.03m. is reported by printers and stationers McCorquodale and Co. for the year ended September 30, 1977.

Total sales expanded by 17.3m. to £23.41m. including a £2.19m. (£2.92m.) share of associates' turnover. Midway the surplus was ahead at £1.73m. (£1.81m.).

Mr. Alastair McCorquodale, the chairman, said that there were several areas where he was still seeking substantial improvement. The North American companies had made progress and this was continuing although at a slower rate than had been anticipated.

For the future he sees improvements in difficult areas, a continuing benefit from the investment programme and generally reasonable prospects for most of the group's activities. Overall, therefore, he has some confidence in the company's ability to enhance profitability.

Earnings per £1 share are shown up from 15.28p to 43.31p before extraordinary debits of £2.00m. (credits £305,000). The net total dividend is stepped up to 14.24p (12.75p) with a final of 9.74p.

	1976-77	1975-76
Total sales	23,410	20,220
Group	21,220	18,030
Share of associates	2,190	2,190
Trading profit	1,730	1,810
Investment income	370	310
Interest	450	420
Share assoc. profits	450	420
Pre-tax profit	2,600	2,960
Tax	810	730
Net profit	1,790	2,230
Extraordinary debits	2,000	—
Available	1,790	2,230
Preference dividends	720	620
Ord. dividends	1,070	1,610
Retained	1,000	620

The company has adopted the accounting treatment of deferred tax as proposed under ED19 and comparative figures have been adjusted accordingly.

comment

McCorquodale's 190 per cent. pre-tax profit jump last year was underpinned by a solid performance from the U.K. printing operations—while losses from the U.S. security printing subsidiary, Falconer, were reduced from around £1m. to around £800,000. However Falconer (bought 2½ years ago) may still show losses of around £1m. in the current year.

Group pre-tax profits, excluding the U.S. losses, rose by around 77 per cent., reflecting the benefit from the rationalisation programme in 1976-77 (costing almost £400,000) and the group's decision to concentrate its investment in specialist printing areas where demand is less likely to be affected by economic recession.

Security printing (almost entirely cheques), educational and specialist book printing and packaging now form the three main profit arms while the group has been gradually reducing its investment in the more volatile area of printing contract work. Meanwhile associate earnings are up by 135 per cent. reflecting a continuing strong recovery in Brazil. The shares at 238p (up 11p) yield 9.4 on a p/e of 5.3.

ULTRAMAR

Ultramar Company has decided to redeem the outstanding £1,686,499 7 per cent. unsecured loan stock 1975-78 on April 30.

SHARE STAKES

G. R. Dawes and Co. London has disposed of its holding of 430,000 Ordinary shares. British Printing Corporation: Dawn Estates holds 68.710 4.2 per cent. cumulative Preference shares and 85,000 4.2 per cent. (formerly 6 per cent.) "B" cumulative Preference shares. Haveringham Group, Company has been advised of the following changes in directors' interests in Ordinary shares resulting from the partial winding up of estate of the late Mr. Harold Needler: 470,000 recorded as interest of Mr. G. H. C. Needler as trustee and Mrs. H. Needler and her family reduced by 86,000 to 404,000.

HIGHLIGHTS

Lloyds Bank International profits are 34 per cent. higher with all the growth coming from Latin America. Lex also takes a look at the Stock Exchange response to the Green Paper on company reports as well as the central government's borrowing requirements. Kenning's profits are in line with the rights issue forecast but the 190 per cent. profits rise at McCorquodale took the market by surprise and the shares were pushed up 11p. ERF has turned in a strong performance with profits 41 per cent. higher and production up to peak levels, while AGB Research continues to show solid growth.

38,500 recorded as beneficial interest of Mr. G. H. C. Needler increased by 22,000 to 60,500. Bryce Investments: On December 30, Sahara Investments transferred its holding of 2.5m. Ordinary shares (33.71 per cent.) to the holding company, Oasis Investments.

Cambrian and General Securities: Bloomsbury Trust has sold 70,000 Ordinary shares, reducing its interest to 150,000 shares representing less than 5 per cent. of that class.

Budget: Bunting Estates (a subsidiary of Greenbrook Securities) now has an interest in 242,000 shares (17.1 per cent.).

Wilson: Walton Engineering: Wilson: Walton International sold 50,000 Ordinary shares at 70p, reducing its holding to 1,407,500 shares, 28.15 per cent.

Mills and Allen International: London Indemnity and General Insurance sold 250,000 shares on January 3. Merchandise and Investment Trust and MTT Securities are now beneficially interested in a total of 880,897 Ordinary shares (9.6 per cent.).

Northern Securities Trust: London and Manchester Assurance has acquired a further 39,933 Ordinary shares and now holds 21.30 per cent.

Brownlee: McLeod Russell purchased a further 50,000 Ordinary shares on January 3 and now holds 735,000 shares (10.69 per cent.).

John L. Jacobs: Jacobs and Partners now has a beneficial interest in 1,423,000 Ordinary shares (6.13 per cent.).

Efficiency Engineering: Mrs. J. K. F. Warren sold 146,466 shares, holding now below 5 per cent.

Davies and Metcalfe: Central Manufacturing and Trading Group has disposed of its entire holding of 173,000 shares (11.6 per cent.).

Mr. Bernard Audley, chairman, says the picture for the remainder of the year looks good, and satisfactory progress on last year's total £1,008,879 profit is expected. Higher profits are normally produced in the second half because of seasonal factors.

Earnings per 10p share are stated at 3.40p (2.67p) as previously announced the interim dividend is down from 1.3p to 1.1p, but represents some 30 per cent. of the total permitted distribution. A 2.65p total was paid last year.

Turnover 4,897,223 | 4,680,371 | 7,943,438 || Profit | 324,300 | 255,690 | 573,539 |
Tax	34,300	35,690	573,539
Net profit	290,000	220,000	573,539
To maintain	15,000	15,000	15,000
Dividend	68,710	70,250	127,466
Leaving	121,290	150,750	546,073

AGB has continued its recent growth trend with first half profits up 40 per cent. on turnover ahead

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Record

£1.75m. at Reo Stakis

INCLUDING A £333,000 contribution from a recently acquired subsidiary pre-tax profit of Reo Stakis Organisation rose 39 per cent. to a peak of £1.75m. in the year to October 2, 1977.

Turnover in the 32 weeks was £23.11m. compared with £22.1m. for the 33 weeks last time. At halfway profit was more than doubled from £222,000 to £453,000.

Directors say that on the hotel and catering side hotels continued to prosper although poor summer trading affected results in the second half. Catering contributed to profits but suffered from a decline in consumer spending. The group has recently acquired the Victoria Hotel, Nottingham, for £254,000 and has an increased commitment to upgrade existing premises.

Casino and betting turnover declined mainly because of the sale of Queen Bookmakers in May. While casino profits were marginally lower for the year they are currently showing an improvement.

Initial trading of the wholesale wines and spirits and off licence subsidiary D. and A. Haddow confirmed the Board's confidence that this new division will be a major profit contributor they say.

The current year has begun well with first quarter profits well ahead of last year. After spending £3m. on acquisitions in recent months from cash flow, the group continues to look for further expansion and directors predict another successful year.

The fire that destroyed the Grosvenor House, Glasgow, on January 7 is not expected to affect forecasts for the year.

A final dividend of 0.756p has been proposed and an additional 0.009p for 1975-76 will be paid. This takes the total to 1.087p per 10p share against last year's 0.621p. Earnings per 10p share are shown at 3.77p (2.57p).

Turnover 23,110 | 22,100 || Profit | 453,000 | 222,000 |
Tax	15,000	15,000
Net profit	438,000	207,000
To maintain	15,000	15,000
Dividend	15,000	15,000
Leaving	423,000	192,000

Profit was struck after interest of £55,715 (£30,069) and is subject to tax of £182,716 (£88,456). Extraordinary credits of £2,737 compare with extraordinary debits of £1,129 and a supplementary 0.0105p will be paid. On the assumption that dividend control will not extend beyond July 31, 1978, directors intend paying a 1.12p and a supplementary 0.0105p net per 10p share.

Earnings per share are shown at 5.1p (1.73p) and net assets per share at 60.3p (42p).

The increase in asset backing stems from a £250,000 surplus on the revaluation of freehold properties in Leicester, a release of £380,000 of deferred tax, as well as retentions from last year of £189,000.

comment

Adjusting the 1975-76 pre-tax figure to a 32-week period the latest advance from Scottish-based hotelier and caterer Reo Stakis rises from 39 to 42 per cent. Nearly two-thirds of that gain comes from an initial contribution in the second half of £333,000 from the D. and A. Haddow off licence chain, purchased in July.

The return from the hotel and catering side was creditable enough during the crucial April-October summer period—pre-tax profits rose from £714,000 to £824,000—although the number of overseas visitors, particularly from Scandinavia, was well down. The year attracted much of the tourist trade to London and the south, while wet weather dampened the U.K. holiday trade.

Casinos and betting suffered a negative effect. With Haddow from £280,000 to £127,000, due to the sale of Queen Bookmakers in May, but reorganisation of the fixed odds activities ensured a positive effect. With Haddow down more than making good the slimming down of the book-making operations, analysts are now looking for £2.3m. in the current year. At year end, Haddow shares stand on an undemanding prospective p/e of 6.6. The prospective yield is 5.5 per cent.

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Halma's impressive growth record has continued with first half profits showing a 137 per cent. increase. The investment programme started in 1972 is now paying off handsomely, especially with many group products selling in growth markets such as industrial safety and environmental control. The company is having particular success with its Castelli range of interlocks (which prevent expensive machinery being operated in the wrong sequence) and fire alarm systems; also profit has boosted such products as waste form extractors and greater awareness of the working environment has created a big market for acoustic covers for typewriters and telex machines. The latter market has been flat for the specialised engineering division (shoe making machinery). But this has been offset by overseas demand (mainly

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Mr. Alastair McCorquodale, chairman of McCorqu

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 6 1/2 per cent. (since January 6, 1978). Day-to-day credit was in short supply in the London money market again yesterday, but the scale of assistance given by the authorities was rather less than on previous days. The total amount of help was large, taking the form of moderate purchases of Treasury bills and a small number of local authority bills from the discount houses. The Bank of England also lent a small amount overnight to two or three

houses at Minimum Lending Rate of 6 1/2 per cent. Banks carried forward surplus balances. Government disbursements exceeded revenue payments to the Exchequer, and the market was also helped by a fairly large fall in the note circulation. On the other hand there was a slight net take-up of Treasury bills, and further funds from the call on Treasury bills and a small 10 1/2 per cent Treasury 1980. The market was also faced with maturing local authority bills of discount houses, and the repayment of the money lent to

the market overnight and for seven days. Discount houses paid around 6 1/2 per cent. for secured call loans in the early part, and closing balances were found at 5-6 per cent. In the interbank market overnight loans opened at 6 1/2 per cent., and increased to 6 3/4 per cent. before easing to 4-5 per cent., but rising to 6-7 per cent. in very late trading, and then closing at 5 per cent. Rates in the table below are nominal in some cases.

Jan. 11 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Authority deposits	Finance House deposits	Company deposits	Discount market	Treasury bills	Eligible bills	Bank bills	Five Year
Overnight	—	4-7	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
2 days notice	—	—	—	—	—	—	—	—	—	—	—
7 days notice	—	—	—	—	—	—	—	—	—	—	—
One month	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4
Three months	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4
Six months	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4
Nine months	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4
One year	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4	6 1/2-6 3/4

Local authorities and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rates nominally three years 8 1/2 per cent. four years 8 3/4 per cent. six years 8 1/2 per cent. eight years 8 1/2 per cent. ten years 8 1/2 per cent. Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 8 1/2-8 3/4 per cent. four-month trade bills 8 1/2 per cent. Approximate selling rate for one-month Treasury bills 5 1/2-5 3/4 per cent. two-month 5 1/2-5 3/4 per cent. and three-month 5 1/2-5 3/4 per cent. Approximate selling rate for one-month bank bills 6 1/2-6 3/4 per cent. two-month 6 1/2-6 3/4 per cent. and three-month 6 1/2-6 3/4 per cent. One-month trade bill 6 1/2 per cent. two-month 6 1/2 per cent. and three-month 6 1/2 per cent. Finance House Base Rates published by the Finance Houses Association 6 1/2 per cent. from January 1, 1978. Clearing Bank Rates for leading 6 1/2 per cent. Bank Deposit Rates for small sums at seven days' notice 3 per cent. Clearing Bank Rates for leading 6 1/2 per cent. Treasury Bills. Average tender rates of discount 5 3/8 per cent.

BIDS AND DEALS

EIS £1.4m. purchase from Weir Group

Electrical and Industrial Securities has bought C. F. Taylor (Holdings) from Weir Group for £1.4m. cash.

Of this £1m. is payable on completion, and the balance in eight equal instalments spread over two years. An additional consideration of £400,000 is payable on completion of the year 1978 and 1979. Net book value of the assets being acquired by EIS is approximately £1.75m.

The company will continue the policy initiated by Weir during 1977 of concentrating the activity of Taylor on the manufacture and sale of aircraft galley equipment, the sub-contract manufacture of air frame parts, the manufacture and distribution of filters, valves and pumps and production of metal and plastic bonded panels.

ALBERT MARTIN EXPANSION
Albert Martin Holdings announces that its subsidiary, Albert Martin and Co., has completed the purchase of an 18,000 sq. ft. factory in Barnsley. The factory, which will ultimately employ some 180 people, is being acquired together with machinery and fixtures for the sum of £149,000 payable cash.

This additional production capacity will be used to manufacture blouses and leisurewear for the group's major customer, Marks and Spencer.

RANK ORGNSN.
Rank Organisation has bought for £1.25m. the French assets of Beaver Fleet, which consist of 86 purpose-built self-drive cabin cruisers. The company is the leading operator on the Canal du Midi.

The French operation, which has been bought from Mr. Tom Richardson (Pleasure Craft), which is managed by Butlin's, a Rank Organisation subsidiary. The move will establish Butlin's as a major cruiser operator in the Channel.

LONDON PAVILION TURNS DOWN £3 OFFER
London Pavilion, whose main activity is running the cinema of that name in Piccadilly Circus, has given a sneak preview of a possible future attraction.

The chairman said yesterday: "A number of approaches have been received and one of these has indicated that an offer might be contemplated of up to £3 per share," valuing the company at £390,000.

But the directors do not think £390,000 is enough in fact, they are publicly rejecting the offer before it has even been made.

The site in Piccadilly Circus is obviously worth quite a lot, especially now that the development of the area is at last under way. In due course the cinema will probably be converted into two auditoriums and perhaps some extra shops as well.

All this makes the book value of the company pretty ridiculous. Unnamed charter surveyors in fact stated that it had no measurable value since the lease is subject to six months' notice. But since the lease has recently been renegotiated for another five years and London Pavilion Ltd. has had to get on for a century, the notice seems unlikely to be given.

Anyway the Board and the property developers obviously do not think so. A stream of "solicited approaches" have been made over the years but this latest one is being taken quite seriously. It could be from one of the major leisure groups.

The list of major shareholders of London Pavilion is unusual. It consists of two deceased people who between them control just over 40 per cent. and one of whom is the famous Prince Lister. The third major shareholder with 19.9 per cent. is Abrahamson Con solidated.

Yesterday, the shares rose smartly to the level of 10 1/2 pence, a non-offer. It could be the beginning of a long run.

SHARE STAKES
Harris Lebas Bunting Estates has purchased a further 10,000 Ordinary shares bringing total interest to 225,000 shares (10.43 per cent.). Bunting's ultimate holding company is Greenbrook Secs.

United Kingdom Property: Having sold 100,000 Ordinary shares, Lazard Brothers are beneficial owners of 2,150,000 Ordinary shares (5.12 per cent.). This holding is in the name of Minden Secs.

Tor and Co. J. B. Hayward and Son (metal specialists) beneficial holders of 127,000 shares (5.87 per cent.).

Wilson Walton Engineering: On January 6 Captain G. D. Wilson, managing director, sold 300,000 Ordinary shares at 72p leaving him with 882,500 (17.65 per cent.). This transaction was the subject of an institutional placing through the market.

Also Wilson Walton International (Holdings) sold 200,000 Ordinary shares at 72p leaving 1,207,500 (24.15 per cent.). This transaction was also the subject of an institutional placing through the market.

Capital and National Trust—Abbey Life Assurance has sold 135,473 Ordinary shares and now interested in 70,000 (4.97 per cent.). This holding is registered in the name of Midland Bank Trust Co.

Second Great Northern Investment Trust—Abbey Life Assurance has sold 200,000 Ordinary shares and is now interested in 900,000 (4.92 per cent.).

Chamberlain Group—Mr. L. F. Chamberlain has disposed of his beneficial interest in 50,000 Ordinary shares.

Comet Radiovision Services—Mr. M. J. Hollingsbery, a director, has sold 200,000 Ordinary shares. Fidelity Radio—Mr. J. Dickson, a director, has sold 20,000 Ordinary shares. Mr. S. G. Dickman, a director, 25,000; and Mr. E. Quin, a director, 30,000.

Associated Sprayers—Mr. H. E. Newton-Mason, chairman, has sold and Mr. R. W. O. Beney pur-

Gulf Asia buys more Sanger

In connected deals worth over £550,000 Gulf Asia Pacific, a private company registered in Hong Kong, has taken a 21 per cent. stake in J. S. Sanger, the meat trader, and a 40 per cent. stake in Sanger's Australian subsidiary.

In the stock market yesterday Sanger's shares fell 2p to 49p. Mr. James Sanger, executive chairman of Sanger, said yesterday that the arrangements would be of mutual advantage to both companies. Sanger has been aiming to get into the Middle East, Far East and African markets where the demand for meat is good. But one of the problems has been the lack of shipping which Gulf would be able to supply along with good representation.

Gulf is a "substantial" shipping and trading company with about 40 offices worldwide but particularly in the Far East, Australia, New Zealand and the Middle East. It has had trading links with Sanger for about nine months and was looking to make closer links with a meat producer.

Gulf already held 150,000 shares in Sanger and has now bought another 800,000 at 50p per share, of which 170,000 shares came from the directors. Mr. James Sanger's personal holding has been reduced by 70,000 to 1,753,313 shares (17 per cent.) but the directors say they are not contemplating any further sales of shares.

As far as the Australian operation is concerned, Gulf will pay about £202,000 for a 29 per cent. interest from Sanger and will obtain a further 11 per cent. from proceed.

ANGLO-INDONESIAN BUYS JENKS & CATTELL STAKE
The Anglo-Indonesian Corporation has acquired 188,240 shares in Jenks and Cattell at 80.3p share, being the stake formerly held by Cattell Trust. This will give the Corporation 16.38 per cent. of the Midlands based garden and general engineering business.

Anglo-Indonesian's subsidiary Central Province Ceylon Tea Holdings has received 284,400 shares from the first two independent companies due to it from Sri Lanka Government during 1977, and Anglo-Indonesian has increased its stake in May Tea Holdings, which has tea interests in Kenya, from 4.8 per cent. to 5.83 per cent.

EYE GEE/SMITH
It has been mutually agreed that the proposed merger between Eye Gee Company, a subsidiary of Rockfield Finance Company, Leeds, and P. J. and J. R. Smith announced in July will obtain a further 11 per cent. from proceed.

NOTICE OF REDEMPTION

To the Holders of

Honeywell International Finance Company S.A.

6% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1966 providing for the above Debentures, \$554,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on February 15, 1978, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF U.S. \$1,000 EACH											
M-63	1127	2501	3488	4274	5003	5947	7150	7841	8786	9803	10567
109	1282	2863	3625	4412	5017	6024	7204	7903	8835	9804	10567
121	1334	2628	3628	4422	5060	6031	7249	7909	8840	9828	10534
129	1456	2746	3711	4420	5073	6048	7310	7963	8849	9836	10540
268	1703	2748	3683	4420	5140	6049	7313	8019	8852	9832	10543
286	1741	2756	3686	4429	5153	6079	7322	8032	8856	9845	10544
288	1745	2756	3686	4429	5153	6079	7322	8032	8856	9845	10544
300	1756	2858	3772	4484	5176	6156	7387	8067	8871	9842	10544
307	1781	2873	3777	4524	5208	6208	7437	8117	8882	9842	10544
320	1833	2881	3782	4530	5218	6208	7437	8117	8882	9842	10544
330	1839	2887	3784	4531	5225	6209	7438	8118	8883	9843	10545
338	1859	2914	3812	4561	5230	6204	7432	8112	8883	9843	10545
420	1900	2925	3828	4584	5242	6210	7442	8118	8889	9849	10549
423	1941	2930	3846	4618	5245	6211	7443	8119	8890	9850	10550
446	2031	2995	3976	4633	5240	6242	7448	8241	8892	9852	10552
448	2035	2999	3980	4637	5244	6246	7452	8245	8896	9856	10556
451	2100	3161	4239	4824	5422	6323	7508	8248	8898	9858	10558
642	2102	3176	4105	4701	5472	6444	7556	8246	8893	9853	10553
646	2110	3184	4116	4712	5483	6455	7567	8257	8904	9864	10564
650	2229	3241	4160	4718	5502	6500	7580	8262	8910	9870	10570
688	2222	3246	4165	4724	5518	6512	7582	8264	8912	9872	10572
692	2245	3261	4180	4739	5533	6527	7597	8279	8927	9887	10587
717	2266	3277	4196	4755	5549	6543	7613	8295	8943	9903	10593
718	2274	3284	4203	4762	5556	6550	7620	8302	8950	9910	10600
719	2284	3293	4212	4771	5565	6559	7629	8311	8959	9919	10609
819	2324	3355	4277	4804	5599	6593	7661	8345	8993	9953	10653
828	2371	3387	4323	4836	5630	6624	7692	8376	8994	9954	10654
856	2448	3439	4385	4893	5687	6681	7749	8429	9007	9967	10667
859	2450	3439	4385	4893	5687	6681	7749	8429	9007	9967	10667
1046	2465	3472	4413	4920	5717	6717	7787	8459	9037	9997	10697
1124	2476	3478	4427	4934	5724	6724	7797	8469	9047	9997	10697

On February 15, 1978 the Debentures designated above will become due and payable in cash or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt, Amsterdam, Rotterdam, Bank N.V. in Amsterdam, Banca Commerciale Italiana in Milan, or Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due February 15, 1978 should be detached from the Debentures and presented for payment in the usual manner.

On and after February 15, 1978 interest shall cease to accrue on the Debentures selected for redemption.

HONEYWELL INTERNATIONAL FINANCE COMPANY S.A.

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Trustee

Dated: January 12, 1978

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH											
3793	3964	3968	4116	5275	7265	7438	7492	7504	7517	10603	12336

Notice of Redemption

Mobil International Finance Corporation

U.S. \$25,000,000. 7% Guaranteed Bonds 1986

NOTICE IS HEREBY GIVEN that pursuant to Condition 3 of the Bonds, \$620,000 aggregate principal amount of such Bonds of the following distinctive numbers has been selected for redemption on February 15, 1978 at the redemption price of 100% of the principal amount thereof:

\$1,000 COUPON BONDS											
M 78	2703	5281	7821	9843	11556	12956	14824	16046	18458	22081	24899
93	2704	5284	7824	9846	11559	12959	14827	16049	18461	22084	24900
129	2710	5285	7825	9847	11560	12960	14828	16050	18462	22085	24901
148	2807	5444	8177	10115	11826	13208	14736	16849	18684	22086	24902
179	2869	5447	8179	10118	11831	13213	14741	16854	18689	22091	24907
208	2900	5478	8208	10148	11861	13240	14772	16881	18721	22122	24938
231	3139	5682	8288	10186	11893	13273	14805	16915	18751	22154	24970
300	3181	5685	8291	10189	11896	13276	14808	16918	18754	22157	24973
400	3182	5686	8292	10190	11897	13277	14809	16919	18755	22158	24974
414	3256	5688	8451	10267	11973	13353	14885	16995	18831	22234	24950
490	3257	5689	8452	10268	11974	13354	14886	16996	18832	22235	24951
821	3461	5883	8496	10405	12128	13573	15176	16777	19102	22544	25374
839	3464	5886	8499	10408	12131	13576	15179	16780	19105	22547	25377
721	3577	5936	8533	10507	12276	13674	15284	16887	19203	22652	25480
737	3580	5939	8536	10510	12279	13677	15287	16890	19206	22655	25483
883	3811	6455	8987	10648	12598	13861	15920	16874	19539	23223	25853
899	3814	6458	8990	10651	12601	13864	15923	16877	19542	23226	25856
956	3820	6509	8998	10656	12645	13873	15928	16881	19548	23232	25862
987	3956	6800	9288	10799	12454	13682	15711	16595	19461	23189	25685
1000	3957	6801	9289	10800	12455	13683	15712	16596	19462	23190	25686
1096	4089	6710	9807	10817	12334	14056	14704	17019	19456	23125	25819
1129	4090	6711	9808	10818	12335	14057	14705	17020	19457	23126	25820
1099	4234	6793	9808	11234	14113	15026	17193	19837	20243	24282	27697
1129	4235	6794	9809	11235	14114	15027	17194	19838	20244	24283	27698
1219	4320	6883	9808	11001	12781	14256	16286	17240	19777	23138	26130
1236	4321	6884	9143	11010	12788	14253	16287	17241	19778	23139	26131
1462	4633	7123	10220	11177	12812	14301	16065	17477	19889	23477	26296
1486	4634	7124	10221	11178	12813	14302	16066	17478	19890	23478	26297
1662	4634	7304	9920	11189	12828	14336	16141	17590	19968	23563	26383
1686	4635	7305	9921	11190	12829	14337	16142	17591	19969	23564	26384
1701	5654	7263	9101	11261	12983	14385	16222	17682	20173	23666	26477
1743	5655	7264	9102	11262	12984	14386	16223	17683	20174	23667	26478
1785	5786	7493	9719	11368	13131	14497	16318	17834	20374	23766	26576
1809	5787	7494	9720	11369	13132	14498	16319	17835	20375	23767	26577
2578	5826	7619	9717	11583	13260	14620	16341	18343	20374	23800	26577
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MINING NEWS

Inco and Falconbridge tighten their belts

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Inco, the world's largest producer of nickel, while carrying over 100 million shares, has announced that it will be cutting its dividend by 10 per cent. to 10¢ a share.

Inco's chairman, Mr. J. Edwin Carter, pointed out that his company's nickel output would not be as high as last year's, and that the company's cash resources would be reduced. He said that the company's nickel output would be about 100 million lbs. in 1978, compared with 110 million lbs. in 1977.

Also appearing before the select committee was the Falconbridge president, Mr. Marshall A. Cooper. He said that the company's nickel output would be about 100 million lbs. in 1978, compared with 110 million lbs. in 1977.

He estimated that stocks of nickel held by producers would be about 100 million tonnes, up from 80 million tonnes in 1977. He said that the company's nickel output would be about 100 million lbs. in 1978, compared with 110 million lbs. in 1977.

While Falconbridge cannot forecast when it will be able to return to its previous high levels of production and output, it remains optimistic for the longer term and expects that production levels may rise more quickly than at the present time.

Meanwhile, the share price has risen to around \$18 in Toronto and to around \$18.50 in London. The major shareholder is McIntyre.

BP ACQUIRES A NEW S. AFRICAN COAL INTEREST

South Africa's Kanyhyn Investments, a major shareholder in the Union Corporation, has announced that it has acquired a 50 per cent. interest in Kanyhyn's coal rights. The company has also acquired a 50 per cent. interest in Kanyhyn's coal rights. The company has also acquired a 50 per cent. interest in Kanyhyn's coal rights.

BP has an interest in one major export colliery, Ermelo Mines, with General Mining and Total. The company has also acquired a 50 per cent. interest in Kanyhyn's coal rights.

First shipments of rutile were leaving the South African R250m. (R250m.) Richards Bay Minerals project designed for Europe. The first shipment is expected to leave in April.

On April 1st, the project is expected to leave in April. The first shipment is expected to leave in April.

GOPENG LIFTS TIN OUTPUT

The Malaysian tin producing group, Gopeng, reports a further improvement in tin concentrate production for December following the record rainfall and floodings of the previous two months. The latest output of 1624 tonnes.

Asarco defines Cuajone loan repayments

THE NEW PERUVIAN copper corporation, Southern Peru Copper Corporation, has announced that it will not be drawing on a multi-bank loan in the middle of the month as anticipated, but will meet debt servicing payments by customers.

CMT to improve

MR. N. N. HICKMAN, chairman of the Central Mining and Finance Group, says the current year has begun satisfactorily with demand, particularly for industrial services, continuing to improve.

NOTICE OF REDEMPTION To the Holders of

Queensland Alumina Finance N.V.

8 1/2% Collateral Trust Bonds Due 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Queensland Alumina Finance N.V. Collateral Trust Indenture dated as of March 1, 1971, U.S. \$600,000, principal amount of the above described Bonds have been selected for redemption on March 1, 1978, in lieu of a redemption for the purpose of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

BONDS OF U.S. \$1,000 EACH									
26	61	2210	2028	5086	8190	9872	13156	12132	14881
27	124	2581	4012	8028	8272	8912	11544	12172	14522
28	158	5481	5014	10028	8242	9152	11820	12172	14522
29	174	5814	5658	6112	8448	8912	11544	12172	14522
30	182	5814	6112	8448	8912	9152	11820	12172	14522
31	182	5814	6112	8448	8912	9152	11820	12172	14522
32	182	5814	6112	8448	8912	9152	11820	12172	14522
33	182	5814	6112	8448	8912	9152	11820	12172	14522
34	182	5814	6112	8448	8912	9152	11820	12172	14522
35	182	5814	6112	8448	8912	9152	11820	12172	14522
36	182	5814	6112	8448	8912	9152	11820	12172	14522
37	182	5814	6112	8448	8912	9152	11820	12172	14522
38	182	5814	6112	8448	8912	9152	11820	12172	14522
39	182	5814	6112	8448	8912	9152	11820	12172	14522
40	182	5814	6112	8448	8912	9152	11820	12172	14522
41	182	5814	6112	8448	8912	9152	11820	12172	14522
42	182	5814	6112	8448	8912	9152	11820	12172	14522
43	182	5814	6112	8448	8912	9152	11820	12172	14522
44	182	5814	6112	8448	8912	9152	11820	12172	14522
45	182	5814	6112	8448	8912	9152	11820	12172	14522
46	182	5814	6112	8448	8912	9152	11820	12172	14522
47	182	5814	6112	8448	8912	9152	11820	12172	14522
48	182	5814	6112	8448	8912	9152	11820	12172	14522
49	182	5814	6112	8448	8912	9152	11820	12172	14522
50	182	5814	6112	8448	8912	9152	11820	12172	14522
51	182	5814	6112	8448	8912	9152	11820	12172	14522
52	182	5814	6112	8448	8912	9152	11820	12172	14522
53	182	5814	6112	8448	8912	9152	11820	12172	14522
54	182	5814	6112	8448	8912	9152	11820	12172	14522
55	182	5814	6112	8448	8912	9152	11820	12172	14522
56	182	5814	6112	8448	8912	9152	11820	12172	14522
57	182	5814	6112	8448	8912	9152	11820	12172	14522
58	182	5814	6112	8448	8912	9152	11820	12172	14522
59	182	5814	6112	8448	8912	9152	11820	12172	14522
60	182	5814	6112	8448	8912	9152	11820	12172	14522
61	182	5814	6112	8448	8912	9152	11820	12172	14522
62	182	5814	6112	8448	8912	9152	11820	12172	14522
63	182	5814	6112	8448	8912	9152	11820	12172	14522
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65	182	5814	6112	8448	8912	9152	11820	12172	14522
66	182	5814	6112	8448	8912	9152	11820	12172	14522
67	182	5814	6112	8448	8912	9152	11820	12172	14522
68	182	5814	6112	8448	8912	9152	11820	12172	14522
69	182	5814	6112	8448	8912	9152	11820	12172	14522
70	182	5814	6112	8448	8912	9152	11820	12172	14522
71	182	5814	6112	8448	8912	9152	11820	12172	14522
72	182	5814	6112	8448	8912	9152	11820	12172	14522
73	182	5814	6112	8448	8912	9152	11820	12172	14522
74	182	5814	6112	8448	8912	9152	11820	12172	14522
75	182	5814	6112	8448	8912	9152	11820	12172	14522
76	182	5814	6112	8448	8912	9152	11820	12172	14522
77	182	5814	6112	8448	8912	9152	11820	12172	14522
78	182	5814	6112	8448	8912	9152	11820	12172	14522
79	182	5814	6112	8448	8912	9152	11820	12172	14522
80	182	5814	6112	8448	8912	9152	11820	12172	14522
81	182	5814	6112	8448	8912	9152	11820	12172	14522
82	182	5814	6112	8448	8912	9152	11820	12172	14522
83	182	5814	6112	8448	8912	9152	11820	12172	14522
84	182	5814	6112	8448	8912	9152	11820	12172	14522
85	182	5814	6112	8448	8912	9152	11820	12172	14522
86	182	5814	6112	8448	8912	9152	11820	12172	14522
87	182	5814	6112	8448	8912	9152	11820	12172	14522
88	182	5814	6112	8448	8912	9152	11820	12172	14522
89	182	5814	6112	8448	8912	9152	11820	12172	14522
90	182	5814	6112	8448	8912	9152	11820	12172	14522
91	182	5814	6112	8448	8912	9152	11820	12172	14522
92	182	5814	6112	8448	8912	9152	11820	12172	14522
93	182	5814	6112	8448	8912	9152	11820	12172	14522
94	182	5814	6112	8448	8912	9152	11820	12172	14522
95	182	5814	6112	8448	8912	9152	11820	12172	14522
96	182	5814	6112	8448	8912	9152	11820	12172	14522
97	182	5814	6112	8448	8912	9152	11820	12172	14522
98	182	5814	6112	8448	8912	9152	11820	12172	14522
99	182	5814	6112	8448	8912	9152	11820	12172	14522
100	182	5814	6112	8448	8912	9152	11820	12172	14522

On March 1, 1978, the Bonds designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Bonds will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10005, or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, (Main), London or Paris or at the main offices of Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on, or by a transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due March 1, 1978 should be detached and collected in the usual manner. On and after March 1, 1978 interest shall cease to accrue on the Bonds herein designated for redemption.

QUEENSLAND ALUMINA FINANCE N.V.
By WILLIAM HOBBS, Managing Director

Dated: January 12, 1978

BUSINESS AND INVESTMENT OPPORTUNITIES

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We wish to secure exclusive importing rights for Germany for boats and yachts from British yards. We run a new jet motor water sports centre of around 350,000 sq. metres, including a marina with a capacity of around 1,500 yachts, firm moorings number 700 at present. Attached to the water sports centre is a yard of 10,000 sq. metres covered space, which provides servicing, though not production, facilities. At weekends in summer we frequently have as many as 4,000 visitors. It is from these that we get a large number of people interested in boats and yachts. It goes without saying that we have our own cranes and slipways. On the basis of these facilities we can offer the most suitable conditions for promoting sales of boats and yachts from Britain if possible in the spring of this year. If you are interested in working with us, please write without delay to: Potrafke-Werft, Potra-Marina Wassersportzentrum West Germany 4240 Emmerich/Rhein. Telephone enquiries to: Werner Potrafke, Spezialfabrik (02324) 21003-5. Telex: 08229880

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PREFABRICATED BUILDINGS

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Thyssen withdraws from French steel venture

BY DAVID CURRY

PARIS, Jan. 11.

THE FRENCH steel industry has been quick to point out that Thyssen's decision to withdraw from the ultra-modern Fos plant on the Mediterranean coast reflects a change in the German company's development strategy rather than dissatisfaction with the progress of Fos as such.

After all, Thyssen is heavily in the red in its steel-making divisions and is unable to see any scope for increases in basic steel-making capacity. Hence, its stake in the Fos plant, which last year produced 2.78m tonnes, representing 80 per cent of capacity, was superfluous.

Nonetheless, the Thyssen withdrawal does mark the formal end (the informal end came with the recession) of dreams of making Fos an example of international co-operation in the type of basic industrial activity which is still central to the European economy.

The Fos plant, which first started producing in 1974, is owned by a company called Solmer. In this company the two biggest French steel-makers Usinor and Sacilor (the latter via Sollac) owned 47.5 per cent each and Thyssen the remaining 5 per cent.

The idea was that the first stage of development would take production capacity up to 3.5m tonnes a year and that from 1978 to 1980 this would be doubled. At the same time the German company would step up its stake from 5 per cent to 25 per cent in the capital.

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Dutch insurer expands in Belgium

By Charles Batchelor

AMSTERDAM, Jan. 11.

NATIONALE Nederlandse, the largest Dutch insurance group, has acquired two Belgian finance companies. Nationale-Nederlanden's life and general insurance subsidiary De Vaderlandsche in Belgium has taken over the B.Frs.61.57m capital of Sodestas and the B.Frs.50m capital of Societe de Financement Bata.

The two associated companies are primarily engaged in personal loans and instalment credits. They had a combined balance sheet total of around B.Frs.33m at the end of 1976 and loans outstanding of B.Frs.2.5m. The head office of the Sodestas group is in Brussels and there are branches in Antwerp, Liege and Charleroi. The total workforce is 100.

De Vaderlandsche is based in Antwerp and had a balance sheet total of about B.Frs.4.5m at the end of 1976 and income of more than B.Frs.2m. Nationale-Nederlanden's other Belgian activity comprises the insurance company De Nieuwe Vaderlandsche which had a 1976 income of B.Frs.100m.

Nationale-Nederlanden recently reported that its international activities contributed 37 per cent of its B.Frs.4.4m revenue in 1977 compared with 32 per cent the year before.

AMERICAN NEWS

Humana wins Medicorp

BY STEWART FLEMING

NEW YORK, Jan. 11.

HUMANA, the second largest U.S. hospital operating company, has succeeded in its three month battle for control of American Medicorp, another leading company in the industry.

Humana said today that its tender for 90 per cent of American Medicorp (5.7m shares) was heavily oversubscribed.

Humana has been struggling for control of American Medicorp against a competing offer from Trans World Airlines (TWA) and its hotel subsidiary Hilton International.

TWA had offered \$20 a share in cash for up to 6m of American Medicorp's 9.5m shares. But Humana had responded with an offer of \$15 a share in cash plus \$13.75 in preferred stock for each share and valued the sixty per cent interest it was seeking at \$164m.

Humana has said that it will seek to acquire the outstanding 40 per cent of the Medicorp stock through a merger.

TWA said that it had dropped out of the contest because it decided that an increased offer to compete with the Humana bid would be "unadvisable."

Yesterday, directors of Medicorp dropped their bitter opposition to the Humana bid, which they have been pursuing through the courts, and agreed to tender their own stock.

An outstanding question, which has yet to be resolved, is the attitude of the U.S. anti-trust authorities, who have requested information from the two companies. Since both companies operate hospitals, an anti-trust action cannot be ruled out.

certain intangible values due to the discontinuation of a product line, resulting in a fourth quarter charge of about \$5.7m, or 28 cents a share.

It said principal assets involved in the write-down include a wood fibreboard plant in Ontario, Canada, a reflective insulation manufacturing facility in Manville, N.J., and a pre-stressed concrete operation with four U.S. producing incinerators.

Also included in the write-down are certain intangible values in connection with an integrated ceilings systems business, the company said. The total pre-tax charge of all the write-downs is about \$10m.

The company did not say how many employees would be affected by its decision.

John-Manville said gains on dispositions of assets for the first nine months of 1977 increased net earnings by about \$7.2m, or 33 cents a share and, as a result, the entire year will show an earnings gain of about \$15m, or seven cents a share from dispositions.

G. D. Searle disposals to bring \$95m. boost

G. D. SEARLE and Co., the giant stock chain group, said it will divest certain businesses as part of a series of cash strengthening steps it expects will bring 1977 earnings by as much as \$95m.

It said accounting reserves reflecting the divestments may total \$90 to \$60m.

Searle said it is making special provisions for writedowns of certain other assets and for termination of a profit sharing plan.

Searle said business to be divested had 1977 sales totalling about \$100m, and are expected to show an operating loss for the year.

It said the move will relieve position of dominance in West Germany's imported car market.

According to a group announcement today, demand for its Renault 14 model remained strong and sales totalled 22,000 units. At the same time, turnover of the German subsidiary, Deutsche Renault, advanced third lower at DM132m, to DM 1.4bn.

The French group's greatest success, however, came at the upper end of the market. The biggest Renault models on sale in the Federal Republic—the Renault 30 and the Renault 35—have done particularly well.

According to 1977 statistics, deliveries of these vehicles rose by 24 per cent for the year as a whole, while during the final third of the year registrations of the 20 and 30 models were up by 51 per cent.

FRID. KRUPP GmbH, the holding company of the West German steel, shipbuilding and engineering group, is to undertake investments this year worth a total of some DM100m. (£24m.).

Market conditions for life assurance and pensions business were somewhat depressed during the period under review, and the company in these circumstances regard the results as satisfactory. The group operates not only in Australia, Tasmania and New Zealand, but also in the U.K. and South Africa. It is the largest group pensions company in Australia, and was the first to introduce the managed fund concept. Results last year were affected by slower growth in pensions business.

Quebec Minister in Sun Life clash

By Robert Gibbons

MONTREAL, Jan. 11.

QUEBEC FINANCE Minister Jacques Parizeau has confirmed that one main issue in the dispute with the Sun Life Assurance Company of Canada is the "matching" of assets and liabilities in the Province. The Government had warned the insurance industry that it planned to lay down new guidelines for investment of Quebec-derived premium income and of Quebec derived pension and group life funds.

Sun Life with assets of \$25bn and worldwide insurance in force of \$251.7bn, including over \$20bn in Quebec, said last week it would move its head office from Montreal to Toronto because the restrictions of the French Language Charter made it impossible to recruit enough Anglophone specialists and managers for HQ operations.

Mr. Parizeau is upholding his figures that Sun Life should, according to Government forecasts, have \$400m. more invested in Quebec than it in fact has. Sun Life itself says it has nearly \$700m. invested in the Province. Sun Life had no immediate comment but was understood to be preparing new figures to back up its position.

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SPCC loan draw-down delayed

SOUTHERN PERU Copper Corporation (SPCC) has announced that it does not expect to meet the draw-down conditions of the supplementary loan agreements signed last October in time to make the draw-down scheduled for next January. This means that it will not be able to take up the funds which the banks have agreed to lend it on the scheduled date.

It is continuing its efforts to obtain the required documentation from the Peruvian Government to fulfil the draw-down conditions. The next date at which funds might be made available is July, 1978.

Under the terms of the loan agreements between SPCC and a consortium of 28 banks to provide \$53.4m. of additional loan debt for SPCC's Cuzco project, the loan facility may be used only to refinance maturing amortisation payments to the banks providing the new funds. Some \$20m. of amortisation scheduled to be paid to the banks on January 16, 1978.

In addition, some \$15m. of interest payments and \$8m. of other amortisation payments are due this month.

SPCC expects to meet these debt service obligations as the mature with cash resulting from early payment by Cuzco's copper buyers.

Continuous quote for Roreto shares

THE AMSTERDAM Stock Exchange will quote the shares of the Dutch investment fund Roreto on a continuous basis from today. This is in response to the large turnover of Roreto's shares in recent months, an exchange spokesman said. Roreto has frequently been the most actively traded stock on the Exchange.

It is the number of continuously traded stocks to 21.

John-Manville to close plants

JOHNS-MANVILLE CORP. plans to close or divest four production facilities and write-down

Lower profits from RWE

LOWER profits are reported by Rheinisch-Westfälische Elektrizitätswerk (RWE) at the end of last year. Last year the French group DM448m. to DM411m. for 1977.

Last year the utility, West Germany's biggest in the electricity field, saw volume sales rise by 4 per cent, to 99.3bn kilowatt hours. Turnover rose by a similar percentage to Capital spending last year was a DM1,571bn, from DM1,458bn.

In December the company announced plans for a rights issue—one for five at DM30—when it also disclosed that the 1977 dividend would be DMS a share compared to DMS50 in 1976.

THE FRENCH motor manufacturer Renault has maintained its position of dominance in West Germany's imported car market.

According to a group announcement today, demand for its Renault 14 model remained strong and sales totalled 22,000 units. At the same time, turnover of the German subsidiary, Deutsche Renault, advanced third lower at DM132m, to DM 1.4bn.

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Nat. Mutual new business

By Eric Short

THE NATIONAL MUTUAL Life Association of Australasia, the second largest life company in Australia, reports an 8 per cent growth in its world wide new business annual premiums for the year ending September 30, 1977. These totalled \$A71m. (£41.7m.) compared with \$A65.9m. (£41.7m.) in the previous year.

New sums assured showed a much smaller rise, amounting to \$A3,367bn. (£2,288bn.) against \$A3,553bn. (£2,248bn.).

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Eurobonds Dollar sector lower

BY MARY CAMPBELL

THE DOLLAR sector weakened yet again yesterday, with prices falling around half a point. A large number of relatively recent issues, which had been priced in the 98-100 range, are now quoted at around 95 or below. D-Mark bonds improved somewhat.

A new unit of account issue—the first for several months—has been launched for the Swedish borrower Kommunaleinvest.

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Senior Gilt Dealer Partner Potential

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

SWISS NEWS

Swissair's excellent year

BY JOHN WICKS

ZURICH, Jan. 11.

SWISSAIR had "excellent" results in 1977, it was disclosed in a speech by airline chairman Armin Baltensweiler to staff. The year, he said, had been the best in Swissair's history and annual profits had surpassed the annual budget.

Net profits for 1977, Baltensweiler stated, will permit adequate interest on equity and at the same time a strengthening of the company's financial position. There had been a substantial improvement in the revenue level as expressed by average yield per ton-kilometre over what had been anticipated. The reinforcement of the financial situation of the airline, he added, would permit modernisation and expansion of the Swissair fleet "in good time" in the coming six years. This would call for well over Sw.Frs.2bn., a large part of this to come from Swissair's own funds. Only to a small extent would the company have to rely on borrowed money.

In September shareholders had been told that a good result was expected for 1977 after gross income had risen sharply in the first half. Swissair then said it was aiming for about the same financial result in 1978 as in 1977.

Norwegian bond issue

Lief Hoegh beats the trend

By Fay Giesler

OSLO, Jan. 11.

A LEADING Norwegian shipping group has reported its best-ever year in 1977, despite the continuing world shipping crisis. Lief Hoegh and Co. says its earnings for the year ended Dec. 31, 1977, were higher than in 1976, while gross freight earnings totalled Nkr.1.8bn. Seven new vessels were ordered for the year, bringing the fleet to 100 ships.

Hoegh's strong economic position will enable it to continue taking advantage of recent favourable conditions or ordering new ships, says managing director C. Olsen. In the first instance, it plans to order two roll-on, roll-off ships or Hoegh-Ugland Auto Liners, for delivery in 1979-80.

The group attributes its good results to its wide spread of interests, embracing profitable fields like car shipments, as well as the less remunerative tanker and bulk sectors, where returns on invested capital have been unsatisfactory. Hoegh's engagement in car carriers still represents, overall, a burden on the group, and it is uncertain how soon employment can be found for these ships. Over the longer term, however, Hoegh expects investments in this sector to credit the concern.

Bankue Rothschild acquisition

UNIQUE ROTHSCHILD is negotiating to take a majority stake in Cie Europeenne de Banque. At present Cie Europeenne's Frs.30m. capital is 99.3 per cent held by Transamerica Corp. Cie Europeenne has a turnover of Frs.600m.

DOMESTIC BONDS

Bundesbahn opts for 12 years

BY JEFFREY BROWN

ANOTHER FIRM against the round of coupon cuts, issuing authorities behind a new loan by the German Federal Railways have opted for lengthened maturity. The \$50m. offering will be priced par, carry a coupon of 6 per cent and run for 12 years.

Following a dip earlier this month to coupons of 5 1/2 per cent, the foreign bond market in Frankfurt looked conceivable to dealers in the domestic market as were about to be conducted with a similar move. Yesterday there was obvious market when the Bundesbahn's plan to hold its coupon at 6 per cent was announced. Last

May the Bundesbahn raised DM700m. by way of a 12-year loan which was priced at par and carried a coupon of 6 per cent. As it is, the new offering looks like being readily accepted. Issue yield of 6.08 per cent to institutions slots neatly into the current market range for maturities of 12 years. It compares with around 5.9 per cent for the three 6 per cent coupon stocks (two by the Federal Republic and one by the Bundesbahn) issued since last autumn. The new offering goes on sale next Monday.

Reuter reports from Paris that French domestic bond dealers, who are already finding new paper hard to place, fear a glut

Standard links with building society

By Richard Rolfe

JOHANNESBURG, Jan. 11.

STANDARD BANK of South Africa, in which Standard Chartered holds a stake of 87 per cent, has negotiated "a close business relationship" with the Prudential Equity Building Society, the eighth biggest society, on an asset basis, in the Republic. The name of the society is to be changed to Standard Building Society.

The agreement will enable the bank to expand its range of services locally by making tax-free and other building society shares available to customers. In addition, but initially on a limited scale, bank customers will be able to obtain building society loans.

Other local banks have comparable relationships with the building societies, but only Trust Bank, with the Trust Building Society, is connected with a building society of the same name.

Prudential Equity had combined assets of more than R100m. in March 1977, and has 10 branches. The society believes it will acquire a broader base for its operations and expand more rapidly than would otherwise have been the case. It expects to attract more investment and so to be able to expand its lending. Standard will put in a certain amount of money, although the precise amount has yet to be determined. Both parties believe that with the increased sophistication of the local money market, it is necessary for building societies to develop closer relationships with the banks.

Nestle bid succeeds

THE SWISS foodstuffs group Nestle, working through its U.S. subsidiary Delaware Bay Company, has now acquired 97.4 per cent of the 8.37m. shares of Alcon Laboratories Incorporated, of Fort Worth. The offer period expired on January 6 after having been extended.

The acquisition of control over Alcon, which specialises in ophthalmic products, had been the subject of a bid of \$42 per share announced by the parent company Nestle S.A., or Vevey, in October. This is the Nestle group's first real incursion into the field of pharmaceuticals.

Eastern Asia holds half-time payout

BY PHILIP BOWRING

HONG KONG, Jan. 11.

EASTERN ASIA Navigation, the principal quoted arm of Y. K. Pao's World-Wide (Shipping) group to-day announced an interim dividend maintained at 19c, and forecast that results for the full year ending in March should be at least as favourable as last year, when profits were \$18,164m.

It said that any effects of the financial crisis at Japan Line—which has asked for rescheduling of its debts—would be unlikely to materialise before next financial year.

Japan Line is Eastern Asia's major client, with, according to its last annual report, approximately 35 per cent of the company's tonnage of 4.25m. tons. This is also roughly the percentage of the total World Wide fleet, believed in the region of 16m. tons, on charter to Japan Line.

Another substantial portion, thought to be a little under 20 per cent, is on charter to Sanko Steamship, another major Japanese line.

Hongkong and Shanghai Banking Corporation owns about 20 per cent of Eastern Asia, and a larger percentage of the two AP-DJ

Abestline Products

TOKYO, Jan. 11.

ABESTLINE PRODUCTS, a company in Tokyo, faces bankruptcy after failing to honour bills with estimated liabilities of about ¥5bn. Teikoku Koshinabo, a private credit inquiry agency, said. The Japanese branch of the Hong Kong-based company had been investigated by police for suspected violation of foreign exchange and trade laws and tax evasion. The company sells chemical detergents and cosmetics.

Major unquoted World Wide companies Eastern Asia's first-half group not operating profit was \$18,164m., compared with \$18,164m. a year earlier.

Since the end of the first half the company has acquired a 137,323 long dwt tanker with a long term charter attached, and has disposed of a 69,525 long dwt tanker, and of its interest in the shipping investment company, Liberland Independence Transports Inc.

Major borrowers—among them Credit National, Caisse Nationale de Telecommunications, Banque Francaise du Commerce Exterieur—are lining up to tap the market. These borrowers are expected to seek between Frs.500m. and Frs.1.5bn. each. The lending banks already have a very large volume of unsold bonds on their books.

Institutional investors are now taking some 50 per cent of new issue volume against the 60 to 70 per cent seen in less congested times.

AUSTRIAN BANKING

Controversy—in public and private—over new credit law proposals

BY PAUL LENDVAI, IN VIENNA

THE DRAFT of the new Austrian credit law, published just before Christmas by the Finance Ministry, is bound to lead to major shifts within the Austrian banking world. It should replace legal provisions which stem from 1939, and also strengthen competition.

Through the fruit of many years of labour and discussions, the Draft is still a subject of intense public and private controversy. Under the assumption that no new major stumbling blocks emerge, the new banking legislation, involving one law on the credit system and one on the savings banks, should come into force on January 1, next year.

"The central place, occupied by the credit apparatus within the overall economic development demands a clear-cut and flexible legislative foundation which would also take into account future changes." This was stated by Vice-Chancellor and Finance Minister Dr. Hannes Androsch, on submitting the draft to the various institutions which have the Constitutional right to evaluate and to suggest changes in Bills before they are presented to Parliament.

The provisions which most directly affect the clients are the maintenance of the system of anonymous savings deposits and the change-over to paying immediately interest on savings deposits as against the current practice under which interest begins to accrue 14 days after the deposit is placed.

The main results of the new legislation will be, above all, even sharper competition and an accelerated trend towards universal banking. The balance of forces both between and within the so-called main

"sectors" will undergo important changes. The difference between the joint-stock banks and the farmers' savings banks will become less and less pronounced. The opening of new branches has now been practically freed of any constraints and it remains to be seen whether profitability

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Changes in banking law proposed in Austria should produce major alterations in the shape of Austrian banking, replacing legal provisions dating back to 1939, and strengthening competition. The proposed legislation, expected to come into force next January 1, will involve one law on the credit system and one on the savings banks. The provisions most directly affecting customers are that they would earn interest immediately on savings deposits—instead of from 14 days after deposit, as at present—while the system of anonymous deposits would be maintained. Above all, however, the new legislation implies sharper competition and a speeding-up of the trend towards banking houses offering a comprehensive range of services.

Considerations will in the final sheet to the tune of Sch.60bn. switch their liquidity reserves with one year's notice from the Girozentrale to the Nationalbank, the central bank. In turn Girozentrale, with a balance sheet of over Sch.100bn. last year, is taking a proud second place among Austrian credit institutions. Girozentrale, the umbrella institute of the savings banks, until now the two banks, like all other savings banks, have had to keep 10 per cent of their savings deposits and 20 per cent of their deposits (excluding inter-bank deposits) at the Girozentrale as obligatory minimum reserves.

Under the new law, Zentral-sparkasse and First Vienna Savings Bank could, for example, after the expiry of their one-year notice, transfer their liquidity reserves to the Nationalbank, the central bank. In turn Girozentrale, with a balance sheet of over Sch.100bn. last year, is taking a proud second place among Austrian credit institutions. Girozentrale, the umbrella institute of the savings banks, until now the two banks, like all other savings banks, have had to keep 10 per cent of their savings deposits and 20 per cent of their deposits (excluding inter-bank deposits) at the Girozentrale as obligatory minimum reserves.

These are the reasons why the draft of the new banking law should produce crucial changes in the world of Austrian banking. In view of the potential implications, however, the Draft may well be changed during the coming period of further public debate and power struggles.

This announcement appears as a matter of record only.



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France 5 1/2% 1989	95 1/2	Montreal 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Germany 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Italy 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Japan 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Netherlands 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Spain 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Sweden 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Switzerland 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
UK 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
US 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
West Germany 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2
Yugoslavia 5 1/2% 1989	95 1/2	New Brunswick 5 1/2% 1989	95 1/2	Midland 1989 7 1/2%	99 1/2

BOOKS

Constructing our world

BY C. P. SNOW

Russian Thinkers by Isaiah Berlin, edited by Henry Hardy, with an introduction by Aileen Kavanagh. Hogarth Press, £8.95, 336 pages.

This is the first of four volumes in which Dr. Henry Hardy is collecting Sir Isaiah Berlin's essays. Even by itself, *Russian Thinkers* would justify the expectation, certainly for anyone even remotely interested in Russian literature. The complete collection will give us all access to one of the most lucid, eloquent and humane of minds, and that will be a blessing.

To judge by *Russian Thinkers* which probably isn't unfair, for here Sir Isaiah is on one of his home grounds, there will be left some minor dissatisfactions at the end. Perhaps it is better to mention these first, before we go on to what can be learned from this book, and what so far I know cannot be learned from any other book in English. The mumble of dissatisfaction is that, on paper, Berlin is a sprinter, not a distance runner.

This doesn't matter fundamentally: his hundred yards is usually better than another's mile. But it does leave some irritating consequences. Some of these short and brilliant pieces in part repeat themselves. The two Herzen essays would gain from being combined into a larger whole, and so would the two Tolstoy.

Further, Berlin is one of the most fluent talkers alive, and some of these essays appear to have been declaimed more or less off the cuff. No one else could have done so articulately, but Berlin knows the costs of this method, and makes this clear in his preface. Even with so disciplined and orderly a mind, oral disquisitions, which are far more agreeable to hear than the best-read lecture, do tend to ramble.

More seriously, it would be good to see Sir Isaiah arguing out his case about the merits and demerits of plural or monist societies, and plural or monist individual minds. It is clear enough, and we should all agree, that plural societies have overwhelming advantages in amenities, and in many material and creative senses. Yet, if one looks round the world, plural societies are steadily losing ground both in numbers and influence. Not many observers would like to bet that in a generation they won't have lost more ground still. Berlin, for all the power and acuteness of his critical mind, sometimes seems to retain the hope of the old Russian liberals whom he understands so well. He sees

every prospect for the ultimate success of plural societies. It would be encouraging if he would give us reasons for such a hope.

One last quibble. He has a taste, which he is liable to disapprove of in others, for large cheerful journalistic dichotomies such as his well-known division of thinkers into Hedgehog and Fox. Such dichotomies can be fun, and can even stimulate useful thought, but he does push this one rather too far. And, even granted the validity of the division, some of his examples seem oddly chosen. He ranks Dostoevsky, with whom he is never so much at ease as with the other 19th century Russians, as a Hedgehog, that is, one who knows one thing and has his own invulnerable mental cosmos. I am sure that this is a misunderstanding. At the root of his nature, it is true, Dostoevsky was a whole and unified human being as Tolstoy wasn't, but this at the root of his nature, his emotional depths, in particular his sexual nature (just compare his marriage with Tolstoy's). There was nothing like such a wholeness, or hedgehog quality, in Dostoevsky's thought. He could and did believe two contradictory things at once, provided that they were both extreme. Did he believe in God? Like some of his own characters, he was never sure. In *The Brothers Karamazov*, he wrote the most wonderful case for repudiating faith in the whole of literature. His patron Pobedonostsev told him to write another chapter demolishing Ivan Karamazov and re-establishing the Orthodox doctrine. Dostoevsky tried. Did he succeed? Pobedonostsev had sombre doubts, but he had more than doubts.

Quibbles dismissed, these essays are not only valuable they are essential to anyone who really wants (a) to understand Russian literary development, both before and after the Revolution (there is no genuine discontinuity); (b) to get some idea of 19th-century liberal thought in Russia; (c) to get a similar idea of to-day's liberal thought in Russia; (d) to realise the possible future of our own present political attitudes. Berlin is, as everyone would expect, marvellously comprehending about the well-known 19th-century liberals. Turgenyev, one of his favourite writers, and the much stronger and more sympathetic person, Ilya Herzen.

Berlin performs the astonishing feat of putting a least persuasive gloss on how Herzen, in general full of deep realistic pessimism, and Tolstoy, the greatest expert at seeing the lie in life, could manage to believe

with Rousseau that the evil in man comes not from himself but entirely from what society does to him. Very odd. It made them both cherish the great Russian romantic passion for the goodness of the Russian peasant. Yet when Tolstoy wrote about Lenin's peasants in *Anna Karenina*, he saw them ruthlessly, for what they were.

It comes naturally to Berlin to be at one with Herzen. Give or take a century or so, they could have conferred happily together. It must have taken more of an exertion of empathy to be as affectionate and admiring with the much sterner and more radical Vissarion Belinsky. That essay ought to be read alone each term to every class on comparative literature extant. Belinsky was, out of comparison, the most influential literary critic who has ever lived, most other literature has had anything like it. Unlike any other critic so far known, he helped create a literature which could succeed Pushkin and Gogol. He not only helped create it, but he also gave it a direction, in humanity as well as social concern, which still endures.

As a private satisfaction, I was delighted to find Berlin having good words for Nikolai Nekrasov. Nekrasov was a fine poet. He was also a very generous nurse of others' talent, and a wonderful judge of it. He has the distinction of having spotted the genius in the first scripts of both Dostoevsky and Tolstoy, and of having promptly published them. In our own time, his example was followed by another fine poet and splendid talent-spotter, Alexander Tvardovsky. That particular tradition, the passionate desire to find talent, is the thing I most envy in literary Russia.

When one reads Berlin on the liberals of the 1840s and 1850s, one realises, if one hasn't done so before, that there is no progress in political attitudes. Many of the radicals of the 1870s made utterances which were indistinguishable from those of our own Tribune Group. The same, often touching, hopes. The same contradictions. Substituting "working people" for "peasants", and an idealistic Tribune orator repeats what Russians were saying exactly a hundred years ago. What is equality? Equality is what the peasants in their wisdom know. What is excellence? It is what the peasants in their goodness will decide. The 1870s radicals didn't come to anything, finally were assimilated into a new party, the Social Revolutionaries. One of Lenin's first steps was to eliminate the Social Revolutionaries.



Conor Cruise O'Brien presents the Duff Cooper Memorial Prize to E. R. Dodds, formerly Regius Professor of Greek at Oxford, for his autobiographical volume "Missing Persons" published last year by the Clarendon Press. The prize is awarded for the book which, in the opinion of the judges, Duff Cooper would have most enjoyed reading.

Those double standards

BY RACHEL BILLINGTON

Man and Woman: A Study of Love and the Novel 1740-1940 by A. O. J. Cockshut. Collins, £4.50, 217 pages.

The Literature of Change: Studies in the 19th century Provincial Novel by John Lucas. The Harvester Press, Barnes and Noble, £8.50, 214 pages.

A hundred years ago women weren't free to say what they liked and married by force to write what they liked. Both restrictions are now lifted. A married woman is free to say she wants a lover, take a lover, if she fancies it, ask the state to endorse her position with a divorce. The novelist is free to follow such a woman into bed-room or bathroom, to draw from her head the most malignant, even unnatural thoughts. Woman is no longer intrinsically virtuous, the novelist is no longer expected to sit in moral judgment.

This change has affected the two major areas in which the past major areas of these novelists works: the basic human relationship between man and woman (and man) and society. It is appropriate to find two books of literary criticism reviewing the restricted novels of the past from each of these angles. Mr. Cockshut deals with the human heart in *Man and Woman: A Study of Love and the Novel 1740-1940* and Mr. Lucas deals with woman/man in society in *The Literature of Change*.

Both books are readable, academic in their information but not in their approach. Mr. Cockshut, in particular, triadumphantly avoids the critic's need to announce that he is going to say something before saying it. Perhaps because of this concentration he is able to cover a wide spectrum of writers without any feeling of super-

fluency. These include Sterne, Jane Austen, Thackeray, Mrs. Gaskell, Hardy, Gissing, Lawrence and Forster.

Mr. Cockshut is stringent about the double standard of morality, out of which were created heroines whose mentors and never seriously asked themselves which of their precepts were religious and really moral and which were dictated by worldly prudence. He tells us that, "The weakness of the English fictional tradition is to be found in the fact that, often, the authors are as confused as their characters."

This stern view, coupled with the disarming declaration that he has been "a convinced Catholic for over thirty years and a happily-married man for nearly twenty-five" made me slightly anxious for the frailty of Love. Luckily, Mr. Cockshut (apart from one statement that Catherine's love for Heathcliff is not sexual on which any teenage reader could put him right) is most sympathetic to beauty and passion. Becky Sharp and Bathsheba Everdene have never had a greater admirer. Indeed his sections on Hardy's heroines and, even more, on Thackeray are particularly inspiring. Unconscious hypocrisy, he suggests, is the clue to why poor Amelia will always pale when Becky comes on stage.

In his discussion of Ruth by Mrs. Gaskell, he shows how a personal morality tangled with the conventions can produce an uneasy alliance. Ruth's sexual awakening is glowingly described but only in terms of admiration for the mountains of North Wales. Mrs. Gaskell could never bring herself to uncover enough of female sexuality to decide whether she wants Ruth "a noble penitent or virtue unsullied."

Mr. Lucas also finds the subject of Hardy's heroines irresistible. He explains their not having been so strict with their "wenches" of the novel past if Mr. (and also woman) falls in love with a vision which is self-

created out of their own needs and cannot survive reality. This idea seems near the classic description of falling in love—as distinct from simply loving—but Mr. Lucas supports it with persuasive quotations and points out how "nebulous" used in connection with a loved woman is one of Hardy's favourite adjectives. He is an armer ground with his examination of the social movements in, for example, *The Mayor of Casterbridge*. Elizabeth Jane (or Bathsheba, Eustasia or even Tess) may lose some of their romance when shown to be obsessively concerned with their social position but there is no doubt that this concern was at root in the struggle Hardy's heroines waged with their passionate nature.

Mr. Lucas also deals with Mrs. Gaskell and William Hale Whitford. Like Mr. Cockshut, he notes that "The confusions and contradictions aren't only in the heroines but frequently in their creators as well." But he continues, "Indeed in all three novelists there seem to me to be splits, anarchic tendencies that fight against conventionalities and out of which important literature comes."

This view seems to be supported by the worrying fact that most current readers still choose a favourite novel from the last century. Mr. Cockshut says, referring again to Victorian double standards, "The price of Decency can be too high." Yet what have we put in its place? The voice of the present-day heroine seems either stridently self-justifying or whimsically self-pitying compared to the heroines of the past. The uncomfortable idea arises that it may be better to be saddled with an unreal convention than too much freedom.

Perhaps Mr. Cockshut would say that we have been so strict with their "wenches" of the novel past if Mr. (and also woman) falls in love with a vision which is self-

Pirates and others

BY STUART ALEXANDER

The World Encompassed by Derek Wilson. Hamish Hamilton, £5.95, 240 pages.

Harry Morgan's Way by Dudley Pope. Secker and Warburg, £8.90, 379 pages.

The Life and Death of H.M.S. Hood by Edwin Hoyt Secker and Warburg, £8.90, 379 pages.

The Mitchell Beazley Atlas of the Oceans. Mitchell Beazley, £14.95, 208 pages.

Good Enough for Nelson by John Winton. Michael Joseph, £4.50, 239 pages.

Panorama of Gaff Rig by John Leather and Roger Smith. Batsford, £7.95, 112 pages.

There can be few characters in England's history to rival Sir Francis Drake as a romantic hero. His mixture of bravado, gallantry and rule-breaking cannot fail to appeal to every schoolboy while his place in history as an adventurer and navigator puts him at one of the turning points in Britain's emergence as a great power and the erosion of Spanish dominance in central and southern America.

For those who can face tucking into yet another historical biography, Derek Wilson has written an enjoyable yet detailed account of Drake's circumnavigation of 1577 to 1580.

The World Encompassed is a lively account of a lively man, carefully researched and well constructed.

On the other side of the central American isthmus another Englishman was making his name, more as a brigand, pirate and simple than Drake, who hid his piracy behind a cloak of official sanction. Harry Morgan was really more soldier than seaman who became accepted leader of a fearsome band of cut-throats only to fall from grace after a knighthood, lose his position of power, and end his life in comparative ignominy.

Morgan's organisation of constant, wide-scale harassment of the Spanish empire is ably reconstructed by Dudley Pope. *Harry Morgan's Way* is a vivid account of a larger-than-life period in England's overseas history. It teems with both adventure and pathos, with glory and despair.

Snail of a historical note, the illustrated Hood is the subject of Edwin Hoyt's latest naval history. In *The Life and Death of H.M.S.*

Hood, Hoyt again seems to rely heavily on the ship's log and court records for his material.

In doing so he has produced a slightly unbalanced account of the life of this great ship. Although the book lacks bite because it shies away from asking the critical question, it provides a comprehensive summary of a tragedy that left the country stunned. Over 1,300 men were lost and there were only three survivors when she went down.

For those who would like to spend all their book income on first-class maritime reading, then the *Mitchell Beazley Atlas of the Oceans* is the answer. It will appeal to young enthusiasts as an encyclopaedia of the subject, modern, well-written, without being too academic. It is more practical than any of its coffee-table rivals, but less weighty and impressive.

On a much brighter note John Winton has produced the life of his high-church bookseller on life at Dartmouth naval training college. *Good Enough for Nelson* follows along in the footsteps of a man who has been expected of a man who has been through it all himself and is moved on since the original *Joined the Navy* and John Winton does not hesitate to present-day service concerns in defence spending cuts to his additional capital out of pocket fun at Labour politicians. Unfortunately he allows a farce to lose credibility and is for the temptation of using every loose thread with a big end.

There is still a body of work on the Hamble, and no doubt elsewhere, which holds contempt the takeover of a yacht-racing scene by amateurs. As far as they are concerned yacht-racing is a serious business which should be left to the professionals.

Although they do not mean John Leather and Roger Smith through extensive library of photographs bring back the largely pre-war era in which a notable edition of folkloric and illustrated *Panorama of Gaff Rig*.

To be fair, it also brings up to the present, though drawing on the work of the involved a sad reflection on the relegation to the realm of curiosity. The book is, however, warm and enjoyable to pick up again and again, only to wonder at racing over 10,000 square feet of

Glory of Bramante

BY H. A. N. BROCKMAN

Bramante, by Arnaldo Bruschi, translated into English by Peter Murray. Thames and Hudson, £12.50, 200 pages.

This is a meticulously researched book on the work of a great Renaissance architect of whose wide-ranging creations relatively little is known. There are, for instance, 3,000 books on Michelangelo between 1810 and the present day and a relatively small bibliography on Bramante. The present book is an abridged version of the Italian original which ran to over 1,000 pages. Even so the abridgement bulges with extremely condensed detail which does not make for easy reading and must have produced much difficulty in lucid translation, here successfully overcome.

In a critical foreword, Peter Murray considers that "The High Renaissance was dominated by Bramante even more than by Raphael or Michelangelo." Sir Nikolaus Pevsner, in his *Outline*

of European Architecture, does go quite so far as this and writes that they were "the three greatest architects of the Renaissance, and none of them," he adds, "was an architect by training."

Bramante's great patron was Pope Julius II who "sought to emulate the greatness of the Roman emperors on a political level, the greatness of the universal architect, and none of them," he adds, "was an architect by training."

Bramante was, architecturally, something of a contradiction. On the one hand his earlier works show an amazing skill in the use of false perspective, external as well as internal, which contribute both in scale and decoration to the interest of his designs. In the most outstanding, the church of S. Maria presso S. Satiro he devised a false choir beyond the crossing by a very slight recession at the east end which, with pillars in echelon create the complete illusion of a barrel vaulted choir and apse; "if you stand in the right position," says Pevsner.

Upon the other hand his most famous work, the Tempietto of S. Pietro in Montoria, on the supposed site of St. Peter's crucifixion, is a severe and perfect exercise, using the Tuscan Doric order, a small circular columnnade surrounded by a dome, exultantly analysed by the author.

Bramante's greatest work, however, came to fruition in the St. Peter's development, constantly harassed by the jealousy of Michelangelo who observed him with contempt and envy.

Bramante was a nervous and arrogant man who, according to Vasari "lived in the greatest splendour, doing honour to himself, and according to a contemporary, what he spent on good living."

The book ends with a list of his known works of which there are 78 properly authenticated, and a bibliography.

In Short—Brave girl and crews

Pocahontas by Frances Mossiker. Victor Gollancz, £7.95, 396 pages.

Pocahontas was the first American girl to twist her doting Daddy round her little finger. Perhaps for that reason alone, she has passed into her nation's folklore. (She it was who saved Captain John Smith from the sacrificial clubs of her father Powhatan's braves.)

She has become all things to all Americans—the subject of innumerable burlesques, novels, plays. To Vachel Lindsay she is the Great American Earth Mother; more gloriously, to Harri Crane, the Natural Body of American Fertility.

The facts of the case are, it seems, more erotic than we

learned at school. Those First Fathers of Virginia took more than an anaemic interest in other things besides tobacco, and only with the Puritans came the ban on racial intermarriage.

Not as well-known is the English connection: how, as Lady Rebecca Rolfe, Pocahontas came to London, met Royalty, endured our Northern fogs, died and was buried at Gravesend.

Frances Mossiker tells a good story with scholarship and sensitivity.

When she writes "The white man, with love and terror, remind us that at least once in our [U.S.] history there came a flicker of hope that on this continent there would be no cause to mourn man's inhumanity to man," the

sentiment is valid, the style feminine—which, after all, best befits her subject.

JOHN DUNSTAN

Battleship by Martin Middlebrook and Patrick Mahoney. Allen Lane, £5.95, 386 pages.

The subtitle of this book is "The Loss of the Prince of Wales and the Repulse," but its title is a fair representation of its contents. The loss of those two ships off the coast of Malaya on December 10, 1941, was the most shattering single piece of news to reach the whole course of World War II and, even though Vanguard was started subsequently, their sinking alone represented the end of the battleship era. Much of the blame for the loss has been attributed to Admiral Sir Tom Phillips, and it does seem to be the case that if he had broken wireless silence and called for aerial assistance at an earlier stage, the result of the engagement might have been different. However, this is not certain. The pattern of the war in the Pacific, between the Americans and the Japanese, was that battles between battleships and aircraft carriers resulted in the loss of the battleships. There is evidence of much research here, in particular in digging out the vivid descriptions by survivors who, in the case of the Prince of Wales, numbered nearly four out of every five members of the crew. Doubtless, people will continue to write about these tragic matters, but it is not easy to see what more they can.

ALLAN TODD

Irish bard in song

BY AUGUSTINE MARTIN

Tom Moore, The Irish Poet by Terence de Vere White. Hamish Hamilton, £7.50, 281 pages.

There was almost always a vivid Irishman at the centre of literary London—Swift, Goldsmith, Sheridan, Moore, Wilde, Shaw, MacNeice. The central figure of them all was Swift, Burke, Keats and Shaw, were political. Moore, who was musical as well, took up the running from Sheridan—who died of drink and debt in 1816—and lived to write his *Moore's*, a play at the Strand House was complete without Moore at the piano mourning the fate of Erin in his plangent *Melodies*. He was the satirist of the Regent, the friend and confidant of Byron, the author of *Lalla Rookh* for which he received the staggering payment of £3,000 before a copy of it was sold.

The bicentenary of Moore's birth will occur in 1979 and it is splendidly heralded by Ter-

ence de Vere White's brilliant and thorough biography. What emerges from his book is a judicious and balanced estimate of Moore's literary achievement and an affectionate but just portrait of the man. Of the work of "White sensibly concludes that 'from Byron's journals and words and music are so exquisitely fused, are his most salient triumph. After these comes his *Life of Byron*. Without these, the critic rightly insists, Moore's claim to fame as a writer would have been modest enough."

As a personality, as one who moved easily among the most dazzling circles of his time, as the intimate of Robert Emmet, of Byron, Shelley and Scott and of nearly every significant figure of the Regency, Moore's life was in any human sense remarkable. It is in his relationships that he reveals himself best, and it is the intricate account of these relationships that Mr. White's book excels. Moore clearly was right

a man who combined incomparable charm and intellect with a fatal capacity for being misunderstood and maligned. Byron's playful jest that Moore "clearly loves a lord" has passed into folklore. We never hear of a passage like this from Byron's journals, but there is nothing Moore would not do, if he will but seriously set about it in society he is gentlemanly, gentle, and altogether more pleasing than any individual with whom I am acquainted. For his honour, principle and independence, his conduct speaks "trumpet-tongued." He has but one fault—and I that daily regret—he is not here.

Mr. White does not neglect the poet's failings and defects. He puts them in a just perspective. When in doubt he is nobly and delicately partisan. He likes Moore, he understands him, and to my mind he gets the story right.

Crimes

BY WILLIAM WEAVER

Death of an Expert Witness by P. D. James. Faber, £3.95, 205 pages.

Mrs. James allows herself more space than the average crime novelist, but in her books—and especially in this new one, arguably the finest of the series—there are no wasted words, none of the self-indulgent digressions about socialism or morality that mar even some of the most successful works of other authors in the genre.

Here, the additional words are used to refine the portrayal of characters, to add guance to the distinctive setting, to extend the context of the malefactions. Commander Dalgleish, her detective-protagonist, has his individualizing features (he writes and publishes poetry, for one thing), but they are not mere quirks, tacked on for colour: they are essential to his understanding of the suspects and to his perception of the crime's genesis.

The East Anglian Forensic Laboratory—as the author insists in a prefatory note—is a complete invention. Well, it is also a brilliant one, and the various scientists and staff who

people the place have the sometimes jarring ring of reality. There is only one problem for the reader: he becomes more involved with the characters, precisely because of their exceptional humanity, and he is really unhappy when they are killed or, inevitably, caught.

Murders Anonymous by Elizabeth Ferrars. Collins, £3.25, 195 pages.

Another of Mrs. Ferrars's deceptively gentle domestic stories of hatred and murder. Matthew, a somewhat bumbling professor, did not kill his wife but someone anonymously accuses him of having cooked up his iron-clad alibi with his brother-in-law. The accusations pursue him even when he leaves London for his husband, in his isolated seaside village, passions still run high. Murderously. Once again, the reader is grateful for Mrs. Ferrars's neat prose, as carefully laid out as her plot.

Letter from the Dead by Anna Clarke. Collins, £3.25, 180 pages.

This book represents something of a departure from Miss

Clarke's previous novels, most of them with a period setting and, best of all, with a literary ambience. Actually, there is a writer in this book, and a nasty piece of work he is too; but happily, he is not the central figure. For the most part, we are in a country vicarage, where the widower vicar lives with his outspoken, noble daughter. The plot has a certain Victorian quality (there is a purloined letter, and a matter of mysterious parentage is central to the story), but it is convincing and, as always with this writer, delightfully, crisply written.

The Beg Forgery by William H. Hallahan. Gollancz, £3.75, 204 pages.

Most of this book is wonderful. Mr. Ross, a master artisan, a printer with a passion for type-faces, is engaged to produce a literary forgery. At first it seems a mere rich man's whim, harmless if dishonest. But strange things start happening. Everybody is shadowing everybody else. Shots are fired. The solution, when it comes, is too rapid, confusing, and unsatisfactory. But the novel is well worth reading for the splendid chronicle of the forgery itself.

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FINANCIAL TIMES REPORT

Thursday January 12 1978

South-West Wales

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Robin Reeves,
a Correspondent

SOUTH-WEST WALES is, in a way, a smaller version of Wales itself. Down in the south, what were once the "cathedrals" of heavy industry dominate the cape of West Glamorgan: by side with large tracts of flat land—witness to the fact that this area of Wales was the site of the industrial revolution. Moving towards the west, into the new Dyfed, heavy industry gives way to sparsely settled rural Wales with its characteristic small farms, and towns, set against a backdrop of sheep-dotted and covered hills and moun-

tain. The region is bounded on two sides by the sea to produce a fine beauty of which comparison with any in the world, and a unique feature. Haverfordwest, one of the best water anchorages in Britain.

Swansea, the natural capital of the south-west, is situated in the south-east corner. Besides its own university, it has by far the biggest urban area, with its own comprehensive facilities, a "high-speed" link with London, and the historic exceptions of the Gower, both to reduce local

also developed very much as a distribution centre for the rest of south-west Wales. Road communications are much better too, with the M4 now sweeping past Swansea well into south-west Wales.

But at the same time, a number of other towns, including Aberystwyth, Cardigan, Carmarthen, Haverfordwest, Lampeter, Llanelli, and Milford Haven are important local centres in their own right. Aberystwyth has the biggest concentration of academic institutions in Wales. Apart from the oldest constituent college in the University of Wales and the National Library of Wales, the town also boasts the Welsh colleges of Agriculture and Librarianship, and the world-renowned Welsh plant breeding station.

Carmarthen is the administrative capital of the new county of Dyfed. Haverfordwest is still the commercial centre of former Pembrokeshire, though industrial development is concentrated around Milford and Pembroke Dock, while Llanelli whose industrial experience in tinplate goes back more than a century and a half, is renowned throughout Wales for its staunch local pride, its rugby team and unique Welsh dialect.

Language

Politically too, south-west Wales is a microcosm of the Welsh political spectrum. Industrial West Glamorgan continues to send a strong contingent of Labour MPs to Westminster, including Mr. John Morris, the present Secretary of State for Wales. Further west in Dyfed, the former counties of Cardigan, Carmarthen and Pembrokeshire are represented respectively by a Liberal, Plaid Cymru and Conservative MP.

Culturally, the Welsh language though under pressure remains the first language of the majority in rural areas, with the historic exceptions of the Gower, both to reduce local

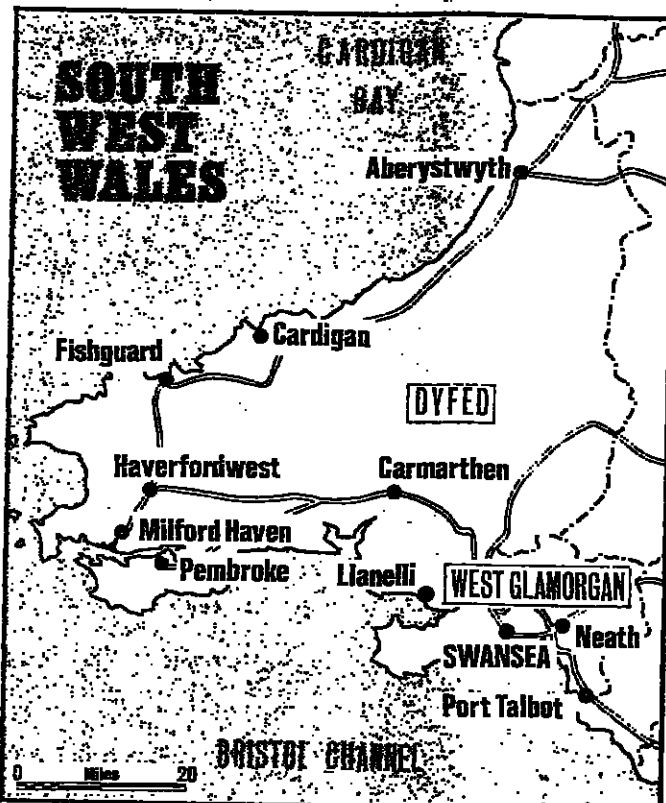
Politically and economically South-west Wales represents a microcosm of the Principality itself. But its future success depends to a large extent on the fortunes of British Steel at Port Talbot.

peninsula and south Pembrokeshire ("little England beyond Wales"). Less well known is that Welsh is also still widely spoken in the industrial valleys of the region, inland from the coastal belt around Swansea.

When it comes to the economy, the experience of south-west Wales has generally been a little different, and certainly less traumatic, than in other parts of the principality. In the 1920s and 1930s the area emerged relatively unscathed from the effects of the Depression. The markets for iron and steel and tinplate stayed relatively buoyant in the pre-war years and even the west Wales coal valleys worked on, whereas whole towns in the east in mid-Glamorgan were laid idle. The difference is that the West Wales coalfield is rare in Europe as a source of top quality anthracite for which demand never really slackened whereas further east dry steam coal was losing out permanently to oil.

The dominant industrial trend in the post-war period has been the expansion of steel making and other metal industries and the development of the Milford Haven oil complex. Anthracite production has continued steadily, thanks to its having a stable market as smokeless domestic fuel, even if it now provides fewer jobs. But it is still a significant source of local employment and providing the necessary investment continues to flow, it will remain so for many years to come.

But side by side with the growth of these heavy industries has always been a need to broaden and diversify the base of the south-west Wales economy, both to reduce local



unemployment, which in Dyfed year by the 1980s. To the west, at least has always been above the national average, and to offset the run down of employment opportunities in coal (23 per cent of U.K. capacity) was looking forward to the arrival of Celtic Sea oil.

Five years ago everything appeared to be moving in the right direction. Investment in a wide range of light industries was flowing into the area. The long-term future of the steel ever by BSC—has still not been making industry seemed assured when BSC announced its intention to double the capacity of locally. The whole future prospect of Port Talbot to 6m. tonnes a year of West Glamorgan is felt

to be bound up in a positive decision. The plant itself employs 13,000 and at least another 40,000 jobs are estimated to be dependent, either directly or indirectly, on the expansion for their long-term security. Linked too, is the most expensive coal investment ever contemplated in South Wales, the sinking of a new mine in the Margam area to exploit at least 31m. tonnes of coking coal buried right on the doorstep of the Port Talbot complex.

As for Celtic Sea oil, the experience of south-west Wales has been akin to that of an expectant mother who prepares with some apprehensions for the big day, only to find that she is not pregnant after all. The prospects for oil and gas in the Celtic Sea are by no means considered a dead duck—far from it—but the relinquishing of licence blocks by a number of companies in the past year has inevitably been a depressing experience.

Indeed, the Milford Haven-Pembroke dock area is something of an unemployment black spot at the moment with 15 per cent of the workforce on the dole. Local councillors have been pressing the Government to designate it as a special development area. However, the request is not expected to be granted, not least because of the extra cost it would entail in Government grant towards major developments which should greatly improve local job prospects. These are the Gulf-Texaco decision to invest £200m. in a new catalytic cracker and Amoco's announcement yesterday that it will spend about £75m. on its cracker. WDA is the restoration of derelict land of which south-west

would put up the rate of grant Wales has had more than its fair share, though things are now improving. Work on one of the most vivid pieces of land dereliction, the lower Swansea valley, is well advanced. The Land Authority for Wales is also moving cautiously into the task of assembling sites both for industrial and housing development, while in rural Dyfed the new Development Board for Rural Wales is working on schemes both to attract new industry and help local employers to expand their businesses.

In fact, in the present economic climate, expansion of local industries is proving to be the most rewarding route of new investment and job-creation, particularly in the wake of the Government's decision to withdraw the regional employment premium which was a blow to the whole of south-west Wales. If there have been compensatory factors, one has been the making available of capital development grants to existing employers in the area instead of just incoming industry and the other, of course, the M4.

The M4 motorway has undoubtedly eased one of south-west Wales' major drawbacks—bad communications. On the other hand, it is now only a part with many other parts of the U.K. and Europe, Ford's decision to come to Bridgend has increased local confidence that south-west Wales can compete successfully for major new investment but it is an uphill battle, particularly to-day, when empty factories are available everywhere, including all along the M4 from the Severn Bridge. Persuading new industries to come to south-west Wales, in spite of the enormous attractions of the area as a place to live, is never going to be easy; which is why, at the end of the day, the future prosperity of south-west Wales is so heavily tied up in a decision to press ahead with the expansion and modernisation of the Port Talbot steel complex.

Elsewhere, local authorities and the range of Welsh economic development bodies which sprung into existence in recent years are soldiering on with the task of trying to create a greater diversity of industry in south-west Wales. The Welsh Development Agency—the equivalent of the National Enterprise Board in the rest of the country—has industrial sites and advanced factories available, and cash to back any enterprise it thinks will strengthen the local economy. But the agency makes a point of emphasising that it is not in the lame-duck rescue business.

Another task assumed by the WDA is the restoration of derelict land of which south-west

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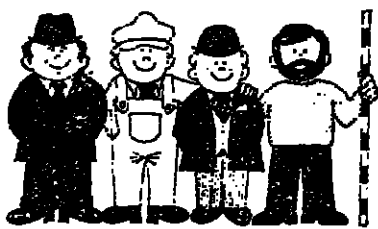


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Employment uncertainties

EVEN IF oil one day flows from the Celtic Sea in significant quantities, it will represent no more than icing on the industrial cake of south-west Wales. In terms of jobs, metals in general and steel, in particular, are the lifeblood of the region. Around one in five of the areas' workforce makes a living from either producing metal or processing metal products, compared with only three in a hundred throughout the rest of the U.K.

Centre of the steel industry and hub of the SW Wales industrial economy is the massive Port Talbot steel complex with its tidal harbour for importing up to 7m. tonnes of iron ore a year and a present steel-making capacity of 3m. tonnes. The British Steel Corporation

is committed in principle to expanding it to 6m. tonnes by the 1980s and the expansion, if it goes ahead, will include a new 10,000 tonnes a day blastfurnace, a hot rolling mill and extra steelmaking capacity at a cost of at least £35m. This is the biggest single injection of capital ever contemplated by BSC. However, BSC have still to give the formal go-ahead and, in the current crisis conditions in the world steel industry, there is obviously still a question mark hanging over the scheme, even though it was first proposed as long ago as February 1973 under the BSC's 10-year development strategy. Obviously there is a good deal of concern locally. At stake is not only the long-term security of most of the 13,000 workforce directly

employed at Port Talbot. The expansion is considered vital also for the west Wales tinplate industry where the BSC's Velindre and Trostre plants alone provide 5,000 jobs. Standards in the market for tinplate are rising constantly and without the higher grade hot rolled coil which will flow from the Port Talbot expansion, it is feared that tinplate will not stay competitive. Beyond direct employment, it is reckoned that at least another 30,000 jobs are linked, either directly or indirectly, with the fortunes of the steel.

In these circumstances, abandonment or very long postponement of expansion would be a very serious blow indeed for the local economy.

The changing economics of

the steel industry have already led private sector Dupont Steel to close down its plant at Briton Ferry, near Port Talbot, in favour of a new £30m. electric arc steel-making facility in Llanelli, further west.

The recessionary climate has also not stopped Alcoa, which is only one of a number of aluminium producers in the area, from completing a new £35m. aluminium rolling mill at Waunarlwydd, near Swansea, which it claims is the biggest and most modern in Europe. The only nickel refinery in Europe, Inco's Clydach plant, in the Swansea valley, is also investing £8m. on modernisation while Imperial Metal Industries, now established in Swansea, is investing in a new production line for titanium.

An important customer for these basic metals is of course the motor industry, which has a surprisingly large presence in the region, and it tends to keep a relatively low profile. British Leyland has two plants in Llanelli employing some 4,500 people. As for Ford, it is said that its good industrial relations it has enjoyed at its West Wales plants over the past 10 years were an important influence in persuading the company to site its new engine factory at Bridgend.

Size

The sheer size of S.W. Wales metal and oil industries tends to overshadow the continued importance of coal to its economy. The mainly anthracite coal field continues to provide more than 4,000 jobs and is still attracting large injections of Coal Board capital to increase production.

They include a £7m. investment at the Treforfan colliery at Crynant in the Dulais valley in new drift tunnels to create what is in effect a new mine, a £2m. reorganisation of the Blaenau colliery near Neath and the sinking of a new mine at Bettws near Ammanford. There is undoubtedly scope for further profitable anthracite production, particularly by open cast methods. But the centre of attention at the present time is a proposal to sink a new mine in the Margan forest. The estimated cost of £40m. would make it the most expensive mine ever developed in South Wales. Once open it would be able to provide 400 permanent jobs and some 6.8m. tonnes of coking coal a year to the steel industry but a definitive go-ahead may depend on decisions taken in relation to Port Talbot.

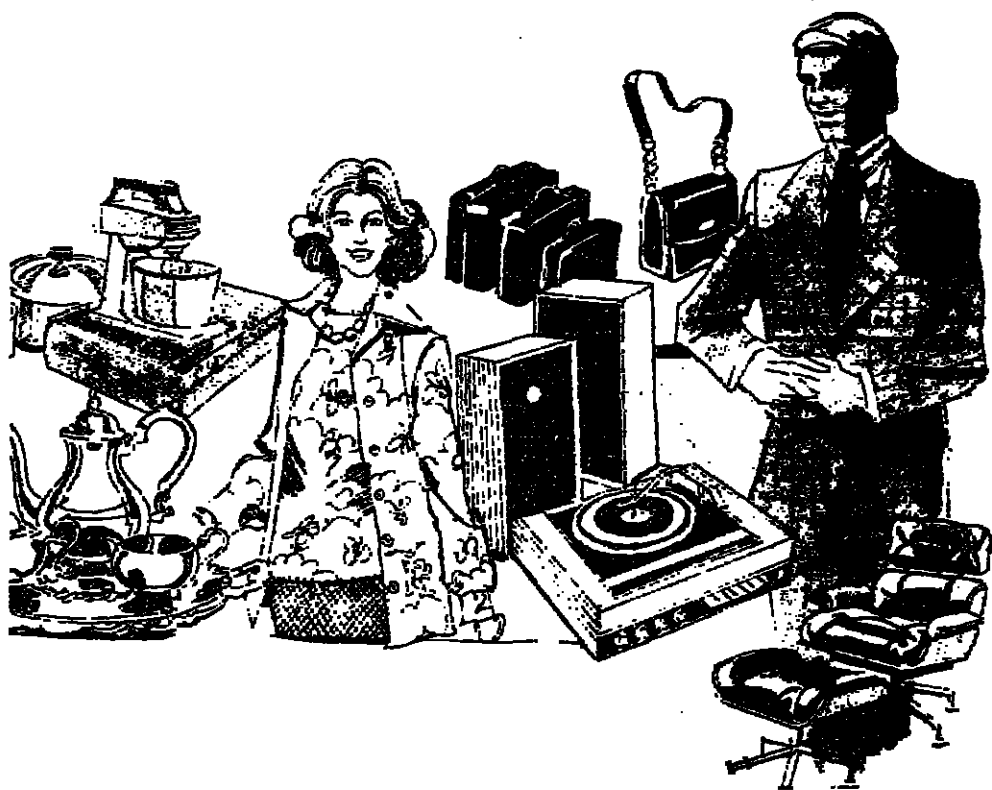
Beyond basic industries, S.W. Wales also has a wider range of light manufacturing industry

than it used to. Significant sectors include small, but local, important engineering concerns throughout the region, shipbuilding and repairing in Milford Haven, timber production from timber which has started to come on stream from plantations over the past 50 years. From this, timber handling machinery manufacture is developing. Clothing is another well established recent years, with small factories providing useful female employment in a number of West Wales towns. Weavolens are also holding the head above water in the competitive fashion market, while, similar vein, steps are being taken to put the craft sector increasingly important in rural areas—on a business-like basis.

The uncertainties overhauling the steel industry and more difficult economic climate are serving to underline the need for continued efforts to diversify so as to give the south-west Wales economy a broad base. In West Glamorgan, local authority officials see plant as an obvious area for development. In Dyfed, it is felt that more could be done in the building field, and in agriculture engineering to meet needs. There is also obvious scope for agricultural processing. Milk is the basis of a good deal of rural employment. Dyfed's several creameries, more could be done in oil sectors. A recently announced modernisation and expansion of an abattoir at Llanybydder, Ceredigion—with the help of an EEC farm fund grant—is a step in the right direction. Tourism also has considerable growth potential, but it is right locally that, at the end of the day, there is no substitute for stable industrial employment.

Robin Rees

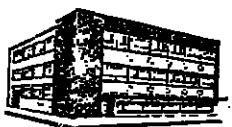
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Tourist appeal is growing

TOURISM IS inevitably one of south west Wales' growth industries. The delights of the Gower peninsula, the attractive resorts of Tenby and Saundersfoot and the Pembrokeshire coast of the south, and Aberystwyth and other centres along the Ceredigion coast to the north, have long been appreciated by the industrial population of South Wales. But with the spread of car ownership and improved road communications over the past 15 years, the area has come to be appreciated by a far larger number of people, not only in England, but also increasingly from abroad.

So much so in fact, that in a number of rural areas, tourism has been transformed from something which used to provide a little occasional pin money into an industry second only to agriculture in its importance to the local economy. Increased mobility has, in particular, spread the tourist industry inland, notably to areas able to offer special activities such as fishing and riding. Besides benefiting inland hotels and inns, it has brought another source of income to increasing numbers of farmers. They have begun to appreciate what has been described as the "tourist crop" with old farm buildings which were otherwise idle being turned into assets which give a significant injection of funds into agriculture.

Across Wales as a whole, the Welsh Tourist Board calculates that tourism now generates expenditure of some £300m. annually and provides jobs equivalent to full time employment for some 84,000 people. And, contrary to widespread belief, the industry employs almost as many men as women—the ratio is 45:55 according to research undertaken by the University College of North Wales, Bangor.

Effort

The Board expects this number of full-time equivalent jobs to increase to around 100,000 by 1990 and south-west Wales promises to contribute more than its fair share to this expansion: always providing it continues to develop and promote the amenities sought by to-day's tourist and sustains efforts to spread the tourist traffic both geographically throughout the area, and in time by stretching the season.

The need for sustained effort is an important qualification well illustrated by the experience of the past few years. Bed occupancy rates in Welsh hotels at the peak of the season have in fact never matched the 75 per cent. rate achieved in 1973 and last year the resorts—the hub of the industry—suffered the shock of a distinct drop in the number of visitors and real earnings. The weather the previous year was certainly not to blame since 1976 was the year of the great drought which south-west Wales enjoyed, or suffered depending on your point of view, to the full. The setback, more likely, reflected the culmination of the difficult economic climate in Britain over the past two to three years. Many families which traditionally like to take their annual holiday at a hotel or guest house in a resort were last year forced, through economic circumstances, either to forgo their holiday or join the trend towards self-catering. And the resorts were not wholly compensated for the loss of this clientele by a rise in visits by tourists who would normally have spent their holiday abroad or by the dramatic

rise in foreign tourists, who helped to buoy up the industry elsewhere. As a result of the drop, the Tourist Board has decided, for the first time, to spend £100,000 on a special TV promotion campaign of Welsh resorts over the coming weeks.

Another response to the need for more business has been the formation of the Tenby and South Pembrokeshire Hotels and Restaurants Association to help promote the area. An unhappy development, however, is that local authorities have been forced, by public expenditure cuts, to reduce the amount of money they make available to the Tourist Board for its work, which is undoubtedly of some concern to those in the industry.

Promotion

The industry recognises the value of greater promotion in the highly competitive tourist market and would undoubtedly do more itself were it not for the considerable amount of money which has been absorbed in recent years modernising facilities. The hotel industry in south-west Wales is not exceptional in having to work with "plant and fixed assets" originally built in the 1880s and 1870s, and a massive amount of resources has had to go into meeting more stringent fire regulations and the provision of private bathrooms looked for by to-day's tourist.

The same is increasingly true of the fastest growing sector of the industry—self-catering. This includes holiday cottages and camping but in the main means fixed-site caravans. The days when Wales was full of scruffy caravan sites filled with visitors who had transported a fortnight's groceries from their local supermarket are happily drawing to a close. The Tenby area in particular likes to boast of its top class sites with colour television and showers in with the caravans and well-stocked on-site shops.

A recovery of business in the resorts will be felt generally throughout the tourist industry. Resort visitors no longer stick to the beach with buckets and spades and a deckchair. These days some 80 per cent. arrive by car and use the resorts very much as a touring base to visit attractions in the surrounding area.

This investment can only pay off in the long run and, given the improving economic climate and this year's special promotional efforts, there is general confidence that the resorts will win back their business. The main worry is that insufficient resources may hinder the industry from fulfilling the big potential for growth in foreign visitors and out of season tourism. The increase in the number of tourists from overseas in the past two to three years has been quite remarkable. Last July, it is estimated that one in five beds in Welsh hotels was occupied by a foreign visitor. The growth inevitably owes much to the weakness of sterling but the Tourist Board maintain that it also indicates the success of promotional campaigns in the Benelux and Scandinavia. Wales offers Continental tourists a new intriguing destination, something different from the Mediterranean and the Gadarene track of London for Stratford and Edinburgh. For the trend towards self-catering American visitors south-west Wales has particular attractions in Swansea as the birthplace of the poet Dylan Thomas and in visits by tourists who would normally have spent their holiday abroad or by the dramatic

foreign tourists for that industry is that they tend to come either side of the seasonal peak, thereby tying in with the main strategy of the past four to five years of trying to spread number of visitors either side of the traditional late July and August holiday period.

To make its maximum contribution to the south-west Wales economy and provide more stable employment for greater numbers, tourism needs, as far as possible, to be an all-the-year-round activity. The Tourist Board's efforts in this direction include the promotion of cheap winter weekends at selected hotels and developing the whole concept of the "winter break." It is also joining the fierce competition for conference business but the Tenby area badly needs a modern well-equipped conference centre. Emphasis on local events with a distinctly Welsh flavour is another area being explored, as is out-of-season special rates for old age pensioners and the handicapped. But just as important for tourism as any other industry is the extension of the M4. It will undoubtedly help to expand the number of out-of-season visitors by bringing deepest south-west Wales within three hours drive of a far larger number of people. The transfer of the Cork Ferry from Swansea to Pembroke dock, if it goes ahead, will also not be without its spin-off effect for the local tourist industry.

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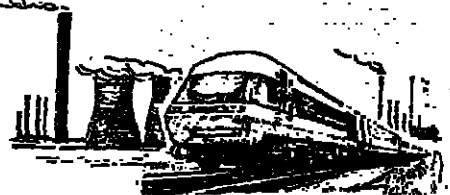
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SOUTH-WEST WALES III

A double cracker for the oil industry

THE PAST YEAR has seen alternating bouts of pessimism and optimism over the contribution the oil industry might make to the economy of Dyfed. The pessimism has arisen from the realisation that the Celtic sea will not provide wealth such as has been experienced in the north of Scotland and might, indeed, produce little or no wealth at all. The optimism has come from the announcement by Texaco and Gulf that they are jointly to build a £200m. fluid catalytic cracker on Texaco's refinery site just outside Pembroke Dock and from the decision of Amoco and Petro-Bras to put up a cracker costing around £75m.

The cracker projects will contribute materially to the prosperity of the area. Since the early 1960s, Milford Haven has developed into one of the largest oil ports in Europe, second only to Europort in Rotterdam. The deep-water anchorage has enabled all but the very largest of the super tankers to use its waters and the oil companies have built their refineries outside. Esso was the first, with a 15m-tonne capacity unit completed in 1960. It was followed by Texaco (9m. tonnes) in 1964, Gulf (5m. tonnes) in 1968 and Amoco (4m. tonnes) in 1973. In addition, BP put up a storage terminal in 1960 and shipped its crude by pipeline to the Llandarcy works on the outskirts of Swansea 62 miles away.

Although these refinery projects are highly capital intensive

they have created a large number of jobs in an area where structural unemployment has remained high, at well over twice the national average. The five companies employ around 1,500 workers, most of them men in an area where jobs for men are at a premium. In addition, BP employs another 1,500 at its much larger refinery site at Llandarcy.

The decisions to go ahead on the crackers have been taken because of the changing pattern of demand for oil products. In the 1960s, the demand was for heavy products and aimed at bulk buyers such as the Central Electricity Generating Board (to fuel its power stations) and the British Steel Corporation. Since the rapid rise in oil prices after the 1973 Arab-Israeli war and the consequent turn-down in the world economy demand from heavy industry has contracted while that for lighter products, such as petrol, paraffin, aviation fuel and other distillates has increased. It is to meet this change in demand that one cracker will be built outside, and possibly a second.

In the short-term the cracker developments will mean a strong surge in the local economy. Local labour will be used as much as possible by Snam Progetti, the contractor for Texaco-Gulf, though inevitably Dyfed will be unable to provide men for all the jobs, which will total well over 2,000 at the peak of building. Even workers brought in from outside will help, with their spending on hotels, guest

houses, shops, pubs, taxi services and the like.

When the crackers are completed, in the early 1980s the net addition to the labour force are likely to be around 450 to 500 people. This may not sound a very large figure but for this part of what is still Pembrokeshire to the locals it is substantial.

The cracker developments will certainly help to mask the disappointment felt by the growing awareness that there is no crack of gold in the Celtic Sea. Last year saw the relinquishing of licence blocks by a number of companies, including Shell, which had drilled two wells. Shell came to the conclusion as a result of its work that there was very little to be gained from staying in the area and, quietly, it also gave up the short leases it had on waterside facilities.

Setback

Other companies which have relinquished their licences include Tricentrol, Phillips, Elf-Aquitaine, Siebens Oil and Gas, and Cluff Oil. Their action was not so much of a shock for the locals because they had done little or no work in the area. Shell's withdrawal was a setback

because even though it had been careful to keep a low profile a lot of people had hoped that its very presence would herald something.

Three companies drilled last year—Amoco, Conoco and Texaco—but all were dry. To Texaco with Hydrocarbons GB, the drilling arm of British Gas, none has actually pulled out.

Indeed, slightly north of the Celtic Sea, in Cardigan Bay, five blocks have been allocated in the fifth round of licences, four of which are pending, to Texaco, Hydrocarbons GB and Atlantic Richfield, the U.S. well. According to official figures which just over a year ago took over the ailing products refinery output of Arco has October was nearly 1.7m. tonnes already drilled one well, but lower than in the same three months of 1976, with fuel oil said nothing about it. Some time this year it is expected to output, which accounted for a drop, go ahead drilling a second well two-thirds of the total drop, on a block in Cardigan Bay, down by 14 per cent. Output This well will almost certainly of most oil products was lower than a year earlier. Over the first 10 months of last year the throughput of crude oil went down to 77.7m. tonnes against 80.4m. tonnes in the corresponding months of 1976. Demand for refinery products last year was as bad as at any time since before the 1973 crisis.

Unofficial figures suggest the position might be even worse. Utilisation at the refineries is one of the main problems at the moment, as it is in the oil industry around the world. There is a large amount of excess capacity which has led to the industry being faced with difficult conditions. This excess

capacity is being used by a firm of brokers, Fielding Newson-Smith, has suggested that refinery utilisation in the third-quarter of last year was down to 59 per cent, compared with 62 per cent in the previous quarter and 65 per cent in the first three months of the year. During the final quarter of 1976 utilisation was 70 per cent.

The one exception to this drop is the BP refinery at Llandarcy where, as a result of closing some old plant, the company claims that its utilisation is over 90 per cent.

Expansion

Llandarcy, sprawling around the outskirts of Swansea, is the daddy of all the British refineries. When it came on stream in 1921 it was the first major refinery in the U.K. for the treatment of crude imported from the Middle East. Even so it was tiny by comparison with today's plants and even by war had a throughput of no more than 360,000 tons a year.

Expansion at the plant came after the nationalisation of BP's refineries in Iran in the early 1950s and capacity was pushed up to 8m. tons a year. Three years ago, however, some of the

older plant was taken out of commission and the capacity is now 5m. tonnes. Although there has been this contraction BP has sufficient faith in the works to contemplate the spending of around £8m. on the site this year and a further £7m. next year.

Unlike the four refineries at Milford Haven Llandarcy is an integrated plant. It produces feedstocks for BP Chemicals' plant at nearby Baglan Bay, which is supplied by pipeline. It also produces a wide range of down-stream products such as butane, a gas sold commercially for domestic consumption; propane, used in industry for metal cutting; white spirit for the paint industry; kerosene, commonly known as paraffin; naphthas, which are semi-finished oils used by chemical manufacturers; aviation fuel; and, of course, motor spirit—or petrol.

This is not the end of the story. The refinery also produces gas oil, heavy diesel oils, lubricating oils, wax, bitumen and high-grade sulphurs. With such a rounded production profile it is hardly surprising that its labour force, at 1,800, is larger than that employed by the refineries at Milford Haven.

Even though this number of people employed is well below the 4,000 that were on the pay-rolls in the 1950s Llandarcy still plays a very important part in the economic life of Swansea. But then this is true, also of the refineries in Dyfed. Without them, both Swansea and

Milford Haven-Pembroke Dock would be considerably less affluent. There are some who argue that the creation of giant plants in the Milford-Pembroke area has reduced the quality of life and it is difficult not to agree that the imposition of factory buildings has affected the tenor of life in this part of Wales. But it is also undeniable that without the refineries and the storage plant fewer people would be in work and more people would have to live at a lower standard of living than they enjoy now. It is never easy balancing the introduction of industry into areas of outstanding natural beauty with offsetting factors such as the large number of heavy lorries on winding, narrow country roads. But in what was Pembrokeshire it has been done successfully and to the benefit of most people.

Anthony Moreton

Farming worries

IT IS the backbone of south Wales agriculture. In predominantly rural Dyfed some 60 per cent of farming enterprises are still devoted to dairy, beef and sheep production for a further 12 per cent, while the rest is made up of pigs, a few poultry, cereals and vegetables, notably the specialist early potatoes growing in what used to be Pembrokeshire.

The area's emphasis on milk and meat production, of course, reflects the mild, relatively up, climate which is characteristic of the western extremity of Europe's offshore islands. plentiful supply of grass growing much of the year round the region's chief farming activity and the basis of its large dairy sector.

At the same time dairying is enjoying increasingly special status. Cow numbers are rising, the number of milk producers is falling. In common with the rest of Britain, the best dairy farmers are pushing their stock towards the two-cows-per-hectare and milk output of 1,300 gallons per cow. It said, the average yield in the region, at around 825 gallons per cow, is still thought by many to be disappointingly low, reflecting perhaps both of the caution and the sizeable fluctuations in profitability of dairying in recent years.

Milk is also the basis of local industry. The processing facilities, particularly the creameries at Carthen, Newcastle Emlyn, and Tland, the Co-operative Dairies Society has a plant at Llangadod and the Milk Marketing Board a large butter and milk powder factory at Mach, Ceredigion. Distance from the main centres of population inevitably means that much of the milk produced in the area is processed rather than sold liquid.

At present, local concern is focused on the position of EEC arrangements for dairying. South-West Wales dairy producers, because of their distance from consumer

markets from Ireland until the Government agreed to opt in, at least partially, to the Common Market's beef market support arrangements. Even so, the beef sector has fared only relatively well since that date. The industry is more exposed than most to the Government's insistence on using the EEC's green currency arrangements to hold down official common farm support prices—a complaint also of milk producers. As long as a gap continues to exist between the Irish and U.K. green pound rates, Irish store cattle will be shipped into Welsh ports with the help of EEC subsidies. The attendant risk is that local cattle markets are liable to be depressed by such subsidised imports.

Policy

The EEC's Common Agricultural policy also has a very strong bearing on the prospects for sheep producers in south-west Wales. They are hoping that the end of transition will result in the Community's most profitable market for sheep meat, France, being opened up permanently to Welsh lamb. To date, lamb producers have had to live with a French national regime which prohibits imports when prices fall below a predetermined level on the Paris market. This interference with imports should be made illegal under EEC rules, though the position at present is still somewhat confused.

But in the meantime, there is undoubtedly scope for improving the marketing of local meat production. The expansion of an abattoir, recently announced at Llangydder, Ceredigion, with the aid of a Brussels Farm Front grant, is viewed very much as a step in the right direction. It promises the kind of modern meat processing facility which is essential if the area is to meet more exacting standards of the EEC export market.

When it comes to south-west Wales' specialist early potato crop, the growers of former Pembrokeshire are well used to taking the rough with the smooth. Now that there is a return to more normal potato supplies after two years of acute shortage, the outlook for this year's crop is clearly not as profitable as in the immediate past. Then early potato growing has always been a hazardous business dependent on having supplies ready for marketing just at the right time so as not to compete with marketing from elsewhere. A number of growers on the Gower Peninsula have recently been growing a wider variety of vegetables possibly setting what may be a trend for other parts of south-west Wales where the land is suitable.

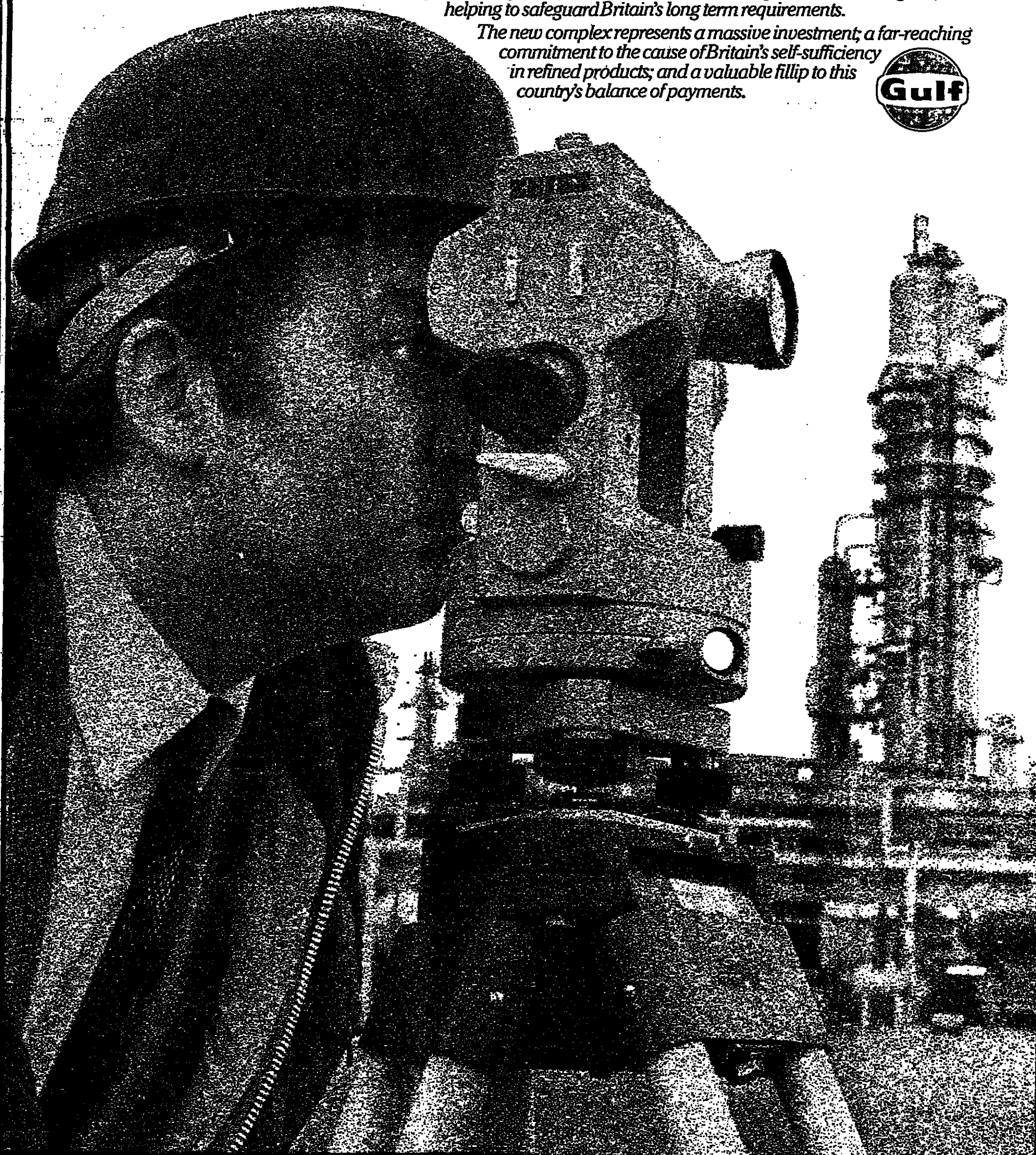
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WALL STREET + OVERSEAS MARKETS

Now 56 lower on dollar troubles

BY OUR WALL STREET CORRESPONDENT

INVESTORS, DISCOURAGED by more bad news about the dollar and a mixed bag of reports on the economy, quickly abandoned a feeble rallying attempt on Wall Street today, and sent the market to its seventh consecutive loss this year in fairly active trading.

The Dow Jones Industrial Average was 56.58 lower at 775.90, after having initially picked up to 783.93. The NYSE All Common Index finished a further 25 cents down at 849.22, after a day's high of 849.88, while declines exceeded gains by 382 to 542. Trading volume decreased further to 22.58m. shares from yesterday's 23.18m.

The welcome news this morning of a drop in the unemployment rate to 6.4 per cent. proved insufficient to sustain an improvement that began shortly after the opening.

WEDNESDAY'S ACTIVE STOCKS

Stock	Change
Middle South Ind.	+1.40
Brumfield	+1.40
Pacific Gas & Elec.	+1.40
Rockwell	+1.40
American Medical	+1.40
Technical	+1.40
British Petroleum	+1.40
Melville	+1.40
Internal Tel. & Tel.	+1.40
Exxon	+1.40

Analysts traced the retreat to a number of factors, including growing doubts about the U.S. economy, and a renewed battle to defend the dollar with

adequate vigour in the currency markets. The dollar resumed its steep decline against major trading currencies in Europe, indicating to dealers that the Federal Reserve and European Central Banks have failed to bring the dollar crisis under control.

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NEW YORK, Jan. 11

COPENHAGEN — Lower in moderate declines, but Burmeister and Wain advanced 5 to Kr412.

STOCKHOLM — Firmer for cable with No. 1000 rising 6.5 to Kr65.

HONG KONG — Modestly easier across the board on small selling in this trading.

TOKYO — Stocks moved ahead over a wide front on revived buying interest, reflecting expectations that the Japan-U.S. trade dispute would soon be settled.

JOHANNESBURG — Gold shares came back with the London Bullion price, but finished below the day's high.

Financial Minings were generally firmer with producers, but Gold Fields was a bright feature, up 100 cents at R21.75 on quarterly figures.

ASBESTOS — Markets relinquished further ground with sentiment depressed by the settlement of asbestos stock markets and uncertainties about domestic interest rates and commodity prices.

In the mining sector, CRA were down 11 cents at \$42.11, while Canadian Pacific rose 5 cents to \$41.50 and CIM 5 cents to \$41.70.

AMTOL Petroleum receded 4 cents to 77 cents in Oil.

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JOHANNESBURG — Gold shares came back with the London Bullion price, but finished below the day's high.

Financial Minings were generally firmer with producers, but Gold Fields was a bright feature, up 100 cents at R21.75 on quarterly figures.

ASBESTOS — Markets relinquished further ground with sentiment depressed by the settlement of asbestos stock markets and uncertainties about domestic interest rates and commodity prices.

In the mining sector, CRA were down 11 cents at \$42.11, while Canadian Pacific rose 5 cents to \$41.50 and CIM 5 cents to \$41.70.

AMTOL Petroleum receded 4 cents to 77 cents in Oil.

NOTES: Overseas news shown below. Prices in U.S. dollars unless otherwise stated. * Prices in U.S. dollars unless otherwise stated. * Prices in U.S. dollars unless otherwise stated.

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Indices

NEW YORK — DOW JONES

NEW YORK —DOW JONES										
	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	
	1977-78						Since completion			
	High	Low	High	Low						
Industrial.....	775.89	781.53	794.58	788.49	804.92	813.58	826.75	776.90	106.170	41.22
H'me B'n'de.....	89.53	90.16	90.15	90.52	90.78	90.86	91.79	81.89	—	—
Transport.....	253.59	256.74	268.81	210.17	215.57	215.44	248.04	111.173	279.88	15.25
Utilities.....	109.69	107.04	107.50	108.24	110.58	110.78	118.57	104.57	102.82	70.59
Trading vol.	22,850	25,180	27,890	25,156	25,578	24,988	22,621	20,667	20,667	20,667

FARMING AND RAW MATERIALS

Few foreign buyers for U.K. farms

ST. POTENTIAL overseas buyers of British farmland have been restricted by their activities window-shopping, according to Royal Institution of Chartered Surveyors.

Evidence presented by the institution to the Northfield committee investigating the sale of land overseas shows that although there has been a strong upsurge in interest among foreigners in 1974, there have been few serious offers.

The institution bases its conclusions on the 30 per cent increase in the number of enquiries received to a questionnaire sent to 400 members of the institution in last year, writes Christopher Parkes.

One of the points which emerged from the survey is that the number of enquiries made by prospective purchasers is far greater than the number of offers made. The institution believes that the relatively large number of enquiries has misled many into believing that more offers have been made than in fact the case.

The institution also maintains the present methods of land sale to the foreign buyer are inadequate and that the institution should be more active in promoting the sale of farmland to foreign buyers.

Mr. Parkes said that the institution should be more active in promoting the sale of farmland to foreign buyers.

Tin price rally halted as supply squeeze eases

By John Edwards, Commodities Editor

THE RECENT rally in tin was reversed yesterday, with early gains being wiped out and standard tin closing at \$50.00, down from \$50.50, after trading at \$50.50.

Trade selling and "lending" (selling cash and buying forward) triggered off the downturn after the market had been lifted by fresh chartist buying. This was encouraged by a further rise in the Penang market overnight and by news that the Bolivian army had been placed on a "red alert".

The premium of cash tin over the three months quotation shrank last night to below \$10 a tonne, indicating that the scarcity of supplies available to the market appears to be over.

Some traders, indeed, feel that there are more than adequate supplies around at present to meet sluggish demand. As a result, a new week's International Tin Council meeting in Kuala Lumpur, Malaysia, on January 13, is being watched with interest.

Mr. Carlos Irujo, called for some radical changes in the International Tin Agreement, but the Bolivian Ambassador, Sr. Irujo, said that the future of the tin industry in Kuala Lumpur, Sr. Irujo, said.

claimed that the voting structure of the agreement meant that major tin consuming countries were able to veto what would have been realistic increases in the price range.

He said that the present situation of the tin price range had become of paramount concern. Producers had sought to avoid interminable discussions on prices at every Tin Council meeting by seeking a periodic and systematic approach via the newly-formed Economic Price and Review Panel.

After the first two meetings of this panel, however, "we are back to square one," he commented.

It is understood that the producers' demands for an increase of \$2,000 in the agreement's floor and "ceiling" prices from the present range of \$31,200 to \$33,500 a tonne will be firmly resisted by leading consumers.

The renewed rise in the value of sterling, against the dollar, brought downward pressure on all the base metals, and Copper, which was described as virtually a currency market.

lost ground as speculative selling met an absence of consumer buying demand. Cash wirebars closed 23 down on the day at \$601.25 a tonne and the price was reported to be still lower in after hours dealings.

Despite President Kaunda's further hint, this week, that Zambia was planning production cuts, there is little sign so far of any easing in the surplus situation. The market therefore remains vulnerable to non-trade influences.

Zinc prices fell on some chart selling, with the cash price losing \$2.375 to \$277 a tonne. A special meeting of the International Lead and Zinc Study Group is to be held in London on Monday to review the zinc market situation.

It is expected to convene an extraordinary full meeting of the study group council in Geneva shortly, to decide what can be done to make an issue of the thwarted shipment.

A spokesman said yesterday that the delivery appeared to be "a mistake" made by a trader who had not understood that imports were banned.

New appeal for potato market aid

By Our Commodities Staff

THE MINISTRY of Agriculture was asked yesterday to approve a fresh round of support buying in the potato market.

The Potato Marketing Board said that if the Ministry would make part of a new programme, perhaps the Board could be allowed to intervene in the market on its own account.

Farmers' prices have stuck at an average \$55 a tonne — about £10 short of the guaranteed level — in spite of an earlier buying programme which took 560,000 tons of surplus potatoes off the market, and the retention of a contentious ban on imports.

A lorryload of Dutch potatoes, shipped to Britain without an import licence, is being held up on the quayside at Great Yarmouth. Customs officials confirmed yesterday.

Journalists from Holland have been busily investigating this "obstruction," but embassy officials are plainly not prepared to make an issue of the thwarted shipment.

A spokesman said yesterday that the delivery appeared to be "a mistake" made by a trader who had not understood that imports were banned.

Silkin ready for show-down on pigs

By Christopher Parkes



Mr. John Silkin

MR. JOHN SILKIN, Minister of Agriculture, yesterday made it plain that he is prepared for a showdown in the Common Market Council of Ministers over the crisis facing the British bacon industry.

He warned the Danes that he might be forced to block this year's farm prices package if they continued to limit the way of a revision of the monetary compensatory amount subsidies on bacon sold into Britain.

In a major policy speech at the Farmers' Club in London, the Minister explained the extent to which his hands were tied by the constraints and limitations under which the British Ministry of Agriculture now operates "at meetings of the Council of Ministers."

"To achieve anything that is in our own, British interests we must be able to get our own partners that it is right for them to allow us to have it. And what may seem fair and equitable to us is not necessarily seen in the same way in other countries."

Mr. Silkin has been campaigning unsuccessfully for more than a year to win a change in the calculation on MCA subsidies which, he claims, help the Danes and Dutch to undercut the British bacon industry.

British manufacturers say that, because of subsidised imports, they are having to sell their bacon at £70 a tonne below break-even point.

Mr. Silkin said that the French

agreed with him publicly and the proposition failed.

Mr. Silkin was accused of being more a Minister of Poud than of Agriculture. His job, according to several speakers, should be to defend the farming industry. Would it not be better to split off food and consumer interests they suggested.

No, said Mr. Silkin, a balance of interests must be maintained.

He defended his refusal to devalue the green pound on the same grounds. He hinted at possible devaluation, but would not commit himself to any firm date. Nor would he predict when, if ever, the revised White Paper on Food from Our Own Resources, mark two—would be published.

One indignant questioner asked if the Minister thought it moral or immoral to use the green pound to prevent currency equalisation. Morality, replied the Minister, did not enter into such matters of national interest. Several other member countries used the green currencies for their own purposes, he said.

In the event, the flux of farmers, which is evident in the countryside, was hardly present in the hall. This is because farmers have no concrete evidence of financial loss, except in the sector of pigs. Otherwise, they might be considered almost complacently comfortable.

The Minister had an easy run, which, considering he had nothing really new to say, was just as well.

Big rise in British sugar crop

By Our Commodities Editor

THE U.K. sugar beet crop this year is estimated to have reached a total of 260,000 tonnes when processing is completed within the next few weeks, the British Sugar Corporation announced yesterday.

This is the biggest crop for four seasons—after three disappointing years—and compares with an out-turn of 700,000 tonnes last season.

However, this season's final crop figure is somewhat below earlier predictions of a record level of more than 1m. tonnes.

Mr. Peter Dyke, the corporation's director of agricultural services, commented that despite early promise the size of the crop was not likely to reach the 10-year average of 38 tonnes per hectare. Sugar content was up, however.

More than 80 per cent of the crop has been processed and less than 1 per cent is still in the ground. This is despite a delayed start to the "campaign" this year, due to a pay dispute.

On the world sugar market in London yesterday, values were boosted initially by continued reports of renewed Chinese buy-

ing. China is estimated to have brought 280,000 to 300,000 tonnes for delivery in the first quarter of 1978. Leading world sugar sources in New York later denied the rumours.

However, persistent trade slings and the strength of sterling against the dollar brought values down again to close \$20.90 to \$21.00 higher. The London daily price for raw sugar was raised by £1 to £110 a tonne in the morning.

In Brussels the EEC Commission authorised sales of 58,500 tonnes of white sugar at its weekly export tender.

Reuter reports from Washington: The Organisation of American States special economic survey committee is to review the U.S. sugar import situation. OAS sugar exporting countries are concerned about the level of stocks in the U.S. These rose to nearly 3.5m. tonnes at end-1977 against 2.5m. tonnes at end-1976.

Doubts on Ghana cocoa purchases

By Our Commodities Staff

LONDON COCOA dealers queried the accuracy of a Ghana cocoa purchases figure published by the Cocoa Marketing Board yesterday. The Board said that the cumulative total of purchases to January 9 was 120,415 tonnes, but London market sources claimed this figure had been reached by the end of December.

Traders in London believe the up-to-date total is more than 130,000 tonnes, but even this would be small in comparison with previous years.

On the London futures market prices rose in early dealings to £1,532 a tonne. Dealers said the rise was encouraged by the emergence of some manufacturers' demand for cocoa butter and a good buyer on the near March position.

Prices fell near the close, however, and May cocoa ended at £12 lower on balance at £1,825.5 a tonne.

Cocoa prices also rose during the morning, but by the end of the day, March coffee was quoted £12 lower on balance at £1,825.5 a tonne.

Much ado about very little . . .

By John Cherrington, Agriculture Correspondent

AT THE END of Mr. Silkin's Farmers' Club meeting it could well be asked why the Minister requested the platform, why the club provided it, and why at least 200 farmers bothered to attend.

In a way, I suppose, the Minister won. He secured a platform for a reiteration of his now notorious views, was listened to by a "politically correct" audience, answered a predictable if fairly hostile flow of questions.

The only moment of excitement came when Mr. Frank Patten, quoting from Cromwell's words to the Long Parliament to "kill the name of a dog," attempted to put a motion for Mr. Silkin's dismissal for the club to support. No one else

talks on new heat pact scheduled

By Our Commodities Staff

NEGOTIATING conference on a international arrangement to phase the 1971 International Agreement will be held in Geneva from February 13 to 15, Mr. Jean Parrot, executive secretary of the International Wheat Council, announced in London yesterday.

A 32nd session of the International Wheat Council made its decision yesterday, but details of the conference will be known have not yet been made.

An existing wheat agreement is to expire on June 30.

Soviet-Norway fish pact

By Fay Gjerster

OSLO, Jan. 11.

A CONTROVERSIAL agreement between Russia and Norway on the regulation of fishing in a disputed area of the Barents Sea—the so-called "grey zone"—was finally signed in Oslo today, several days later than originally expected.

The last-minute delay was due to disagreement between Russian and Norwegian officials about the wording of the supplementary declaration intended to stress that the agreement is purely temporary and does not prejud-

ice either country's continental shelf claims in the area.

Norwegian fishermen have favoured the pact, since it ends uncertainty about whether or how much they can fish in the waters where Norwegian and Russian boundary claims overlap. Politicians—particularly among the Opposition—have criticised it, pointing out that the "grey zone" boundary extends into waters which even Russia previously accepted as Norwegian.

COFFEE

Coffee futures made early gains, reaching \$2.00 for January. Drexel Burnham reported. After lunch, heavy selling at \$1.95 a tonne, but the market recovered to close at \$1.95 a tonne. The market was buoyed by a report that the U.S. government had agreed to buy 100,000 tonnes of coffee.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS			
PER-Reader on the London Metal Exchange with currency considerations			
1. Metal market: The market was dominated by the morning and afternoon sessions. The close on the day of 1974 in the afternoon was 1974. The market was moved lower after hours as a result of a report that the U.S. government had agreed to buy 100,000 tonnes of coffee.			
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COFFEE			
Physical closing prices (bushels) were:			
March 1978 (same)			
1978 (same)			

SOYABEAN MEAL

SUGAR			
Physical closing prices (bushels) were:			
March 1978 (same)			
1978 (same)			

PRICE CHANGES

Metals and cocoa gain; cotton falls			
Physical closing prices (bushels) were:			
March 1978 (same)			
1978 (same)			

FINANCIAL TIMES Commodities Appointments

The Financial Times proposes to publish a new section entitled Commodities Appointments to appear within our regular Thursday Appointments column commencing on Thursday, 19th January, 1978.

For details of advertising in this new section contact: Steve Nevitt or Mike Hills on 01-248 8000 ext. 591 or 588.

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COCA

COCA			
Physical closing prices (bushels) were:			
March 1978 (same)			
1978 (same)			

COCA

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March 1978 (same)			
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March 1978 (same)			
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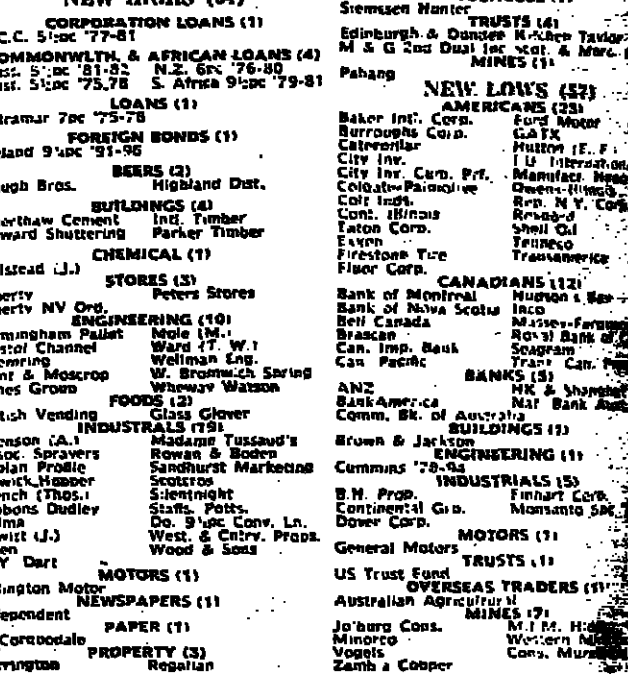
COCA

COCA			
Physical closing prices (bushels) were:			
March 1978 (same)			
1978 (same)			

Rallying Gilts lend firmer tone to leading equities

Share index up 2.7 at 487.2 after 482.2—Foods steadier

	Up	Down	Same
British Funds	5	7	59
Corps., Bds., and			
Foreign Bonds	15	22	29
Industrial	240	42	304
Municipal and Prop.	65	197	84
Oil	5	37	31
Plantation	4	4	26
Wines	12	33	52
Recent Issues	1	18	33
Total	376	736	1,375



104. London, EC4, price 12s. by post 22s.

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Assurance Co. Ltd.		Credit & Commerce Insurance		M & G Group*		Scottish Widows' Group	
Insurance, ECU	0.248 9111	120, Regent St., London W1R 5PF	01-430 7001	Three Gaces, Tower Hill	EC3R 6BG	01-485 4883	PO Box 82, Edinburgh EH10 2SB
1984	37.3	C&M Bldg. Fl.	121.0	130.0	1984	1984	1984
1985	37.3	1985	121.0	130.0	1985	1985	1985
1986	37.3	1986	121.0	130.0	1986	1986	1986
1987	37.3	1987	121.0	130.0	1987	1987	1987
1988	37.3	1988	121.0	130.0	1988	1988	1988
1989	37.3	1989	121.0	130.0	1989	1989	1989
1990	37.3	1990	121.0	130.0	1990	1990	1990
1991	37.3	1991	121.0	130.0	1991	1991	1991
1992	37.3	1992	121.0	130.0	1992	1992	1992
1993	37.3	1993	121.0	130.0	1993	1993	1993
1994	37.3	1994	121.0	130.0	1994	1994	1994
1995	37.3	1995	121.0	130.0	1995	1995	1995
1996	37.3	1996	121.0	130.0	1996	1996	1996
1997	37.3	1997	121.0	130.0	1997	1997	1997
1998	37.3	1998	121.0	130.0	1998	1998	1998
1999	37.3	1999	121.0	130.0	1999	1999	1999
2000	37.3	2000	121.0	130.0	2000	2000	2000
2001	37.3	2001	121.0	130.0	2001	2001	2001
2002	37.3	2002	121.0	130.0	2002	2002	2002
2003	37.3	2003	121.0	130.0	2003	2003	2003
2004	37.3	2004	121.0	130.0	2004	2004	2004
2005	37.3	2005	121.0	130.0	2005	2005	2005
2006	37.3	2006	121.0	130.0	2006	2006	2006
2007	37.3	2007	121.0	130.0	2007	2007	2007
2008	37.3	2008	121.0	130.0	2008	2008	2008
2009	37.3	2009	121.0	130.0	2009	2009	2009
2010	37.3	2010	121.0	130.0	2010	2010	2010
2011	37.3	2011	121.0	130.0	2011	2011	2011
2012	37.3	2012	121.0	130.0	2012	2012	2012
2013	37.3	2013	121.0	130.0	2013	2013	2013
2014	37.3	2014	121.0	130.0	2014	2014	2014
2015	37.3	2015	121.0	130.0	2015	2015	2015
2016	37.3	2016	121.0	130.0	2016	2016	2016
2017	37.3	2017	121.0	130.0	2017	2017	2017
2018	37.3	2018	121.0	130.0	2018	2018	2018
2019	37.3	2019	121.0	130.0	2019	2019	2019
2020	37.3	2020	121.0	130.0	2020	2020	2020
2021	37.3	2021	121.0	130.0	2021	2021	2021
2022	37.3	2022	121.0	130.0	2022	2022	2022
2023	37.3	2023	121.0	130.0	2023	2023	2023
2024	37.3	2024	121.0	130.0	2024	2024	2024
2025	37.3	2025	121.0	130.0	2025	2025	2025
2026	37.3	2026	121.0	130.0	2026	2026	2026
2027	37.3	2027	121.0	1			

The following table shows the percentage changes which have taken place since December 31, 1970, in the principal equity sectors of the FT Actuarial Index. It also contains the Gold Mines Index.		plains	
Acting and Contractors	+106.5	Industrial Group	+42
Purchase	+104.9	Packaging and Paper	+67
Service Contractors	+77.6	Marine and Shipping	+67
ry	+60.9	Metal and Metal Forming	+67
onics, Radio and TV	+73.5	Textiles	+68
on Materials	+78.7	Consumer Homes	+68
Construction	+77.6	Food and Beverage	+68
apers and Publishing	+74.4	All-Share Index	+68
	+74.4	Chemicals	+68
icals	+74.4	Transportation	+68
Construction (Excludes Group)	+68.2	Insurance Brokers	+68
Realizing	+68.2	Other Groups	+68
d Goods Group	+59.6	Mechanical Engineering	+68
and Spirits	+59.6	Chemical Engineering	+68
rics	+59.6	Transportation	+68
and Distributors	+59.6	Transportation	+68
Inc. (Composite)	+59.6	Shipping	+68
Inc. (Life)	+59.6	Gold Mining P.T.	+68
Gold Goods	+59.6	Gold Mining P.T.	+68
Gold Group	+59.6	Gold Mining P.T.	+68
Insurance and Catering	+59.6	Gold Mining P.T.	+68
Goods Group	+59.6	Gold Mining P.T.	+68
	+59.6	Gold Mining P.T.	+68

— FT Actuarial Index based on Tuesday, January 10, 1973 index

[illegible][illegible][illegible]

Prices do not include \$ premium except where indicated; and are in pounds unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. Offered prices are net proceeds less commissions and expenses.
Yield based on offer price. & Estimated as Tuck's opening price. & Distribution free of U.S. taxes. & Accrue premium insurance fund. & State income tax deduction.
Offered price includes all expenses except agent's commission. & Offered price includes all expenses except agent's commission.
Futures der's price. & Net of realized capital gains unless indicated by a.
Governer. & Sponsoring. & Yield before Jersey tax. & Re-subdivision.

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FT SHARE INFORMATION SERVICE

HOTELS—Continued

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

INDUSTRIALS (Miscel.)

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

ENGINEERING—Continued

DRAPERY AND STORES—Cont.

BUILDING INDUSTRY—Cont.

AMERICANS—Continued

**BRITISH FUNDS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

Five to Fifteen Years

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

Over Fifteen Years

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

Undated

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

**INTERNATIONAL BANK

89.75% (by Stock 77.82) 87.41 1.1 5.70 8.25

**CORPORATION LOANS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

COMMONWEALTH & AFRICAN LOANS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

LOANS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

Public Board and Ind.

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

Financial

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

FOREIGN BONDS & RAILS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

AMERICANS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

BEERS, WINES AND SPIRITS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

CINEMAS, THEATRES AND TV

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

DRAPERY AND STORES

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

CHEMICALS, PLASTICS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

ELECTRICAL AND RADIO

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

ENGINEERING MACHINE TOOLS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

FOOD, GROCERIES, ETC.

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

HOTELS AND CATERERS

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100

HOTELS—Continued

Stock	Price	Change	Volume
Adlon Kempinski	10.00	0.00	100
Adlon Kempinski	10.00	0.00	100
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HOTELS AND CATERERS

Stock	Price	Change	Volume
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HOTELS AND CATERERS

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HOTELS AND CATERERS

Stock	Price	Change	Volume
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HOTELS—Continued

Stock	Price	Change	Volume
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HOTELS AND CATERERS

Stock	Price	Change	Volume
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Stock	Price	Change	Volume
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Stock	Price	Change	Volume
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FINANCIAL TIMES

Thursday January 12 1978

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U.K. car output cut 400,000 by strikes

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE FULL IMPACT of industrial disputes suffered by the four large British motor manufacturers last year has emerged in figures showing a 10 per cent fall in sales of home-produced cars while total registrations went up by 3 per cent.

Strikes in the car factories and their suppliers deprived the U.K. industry of about 400,000 vehicles during the year, it is calculated, so that output actually fell marginally while the market was rising.

As a consequence, imported cars flooded into Britain, raising their share of the market by 7 per cent. Establishing a sales record of 600,000 vehicles—a share of 45.4 per cent.

These figures, published by the Society of Motor Manufacturers and Traders yesterday, emphasise the problems the Government now faces in trying to fashion a policy for the British motor industry and revive its flagging manufacturing base.

The market last year, while showing none of the buoyancy which has been experienced in the rest of Europe this year, was in fact the best since the record 1,661,642 of 1973.

Shortages

Yet the British manufacturers failed to take advantage of the situation, and in the case of the multinationals—Ford, Vauxhall and Chrysler—were at times forced to import from their European plants to overcome supply shortages at home.

At the same time the disputes in the British industry have weakened any case for stronger limits on Japanese imports than

U.K. CAR REGISTRATIONS				
	12 months ended December 1977	%	1976	%
Ford*	340,319	25.71	324,459	25.25
British Leyland*	322,067	24.33	352,479	27.43
Vauxhall*	120,400	9.11	114,494	8.91
Chrysler*	79,730	6.02	82,905	6.45
Total British	722,947	54.62	797,483	62.05
Datsun	82,133	6.21	68,853	5.36
Fiat	66,015	4.99	48,595	3.78
Renault	55,862	4.22	56,855	4.42
VW/Audi	45,958	3.47	43,497	3.41
Total imports†	600,577	45.38	487,900	37.95
Grand total	1,323,524	100.00	1,285,383	100.00

* Includes cars from companies' Continental associates which are not included in the total U.K. figure.

† Includes imports from all sources, including cars from Continental associates of U.K. companies.

those imposed by the informal understanding that Japan will not go much above the previous year's level.

Japanese sales last year, while clearly reined in to some extent, still went up by 15.7 per cent to 140,415 units, and Datsun increased its sales by 13,000 cars to a total of 82,000.

Datsun issued a strong statement yesterday complaining about "misleading" interpretation of Japanese car sales statistics in Britain, and said that Japanese makers' appreciation of the problems facing the British motor industry was "a lasting one," but fears of a further increase in the Japanese share this year remain.

British producers hope to stem the imports tide this year having got many of the more difficult sales issues out of the way last autumn. But even if the improvement were achieved, imports are expected to drop by only about 3 per cent, while the multinationals continue to wield their policy of supplying from the Continent. The market overall is expected to reach about 1.42m. vehicles.

Among the importers, the biggest rise was achieved by BEC producers, with sales up by 27.6 per cent to 412,100 units. Japanese manufacturers achieved a 15.7 per cent improvement to 140,415 units, while the Continent's production rose 2 per cent, expansion to 23,300.

Ford became the largest single importer over the full year, bringing in 86,500 vehicles compared with Datsun's 82,100. Vauxhall's imports also went up, by 10,000 to 39,900, and Fiat performed substantially better than in 1976, increasing sales by 16,000 to 66,000. Chrysler's imports went down by 8,000 to 15,000.

\$ could trigger oil price rise

BY RICHARD JOHNS

SAUDI ARABIA has not ruled out an effective increase in oil prices to compensate for the depreciation of the dollar—Mr. Sheikh Ahmed Zaki Yamani, the Saudi Minister of Petroleum, suggested yesterday.

He confirmed the country's position that oil prices should be frozen for the whole of 1978, but added that they might now have to be based on a "real" currency, if the U.S. dollar kept on falling. He was evidently referring to the formula applied in 1972-73 whereby, after protracted negotiations, the reference price was pegged to a "basket of currencies."

Saudi Arabia has come under some pressure from fellow Arab oil producers to soften the stand it took at last month's meeting of the Organisation of Petroleum Exporting Countries (OPEC) that there should be an oil price freeze throughout 1978.

OPEC's economic commission, prior to the Ministerial meeting, reckoned the inflation in the cost of goods imported by member States was as much as 25 per cent. In addition, there was the loss of purchasing power from depreciation of the dollar in 1977, calculated by Kuwait at over 8 per cent.

Linking oil prices to a "basket of currencies" is no easy formula because of the difficulty of giving the right weight to each one. The so-called Geneva II formula of 1973, which was adopted at the end of

that year, was based on 11 currencies.

Jarek Martin writes from Washington. Mr. Michael Blumenthal, the U.S. Treasury Secretary, said yesterday that the new activist U.S. policy towards the dollar had accomplished its goal. "The main purpose (of the intervention) has worked," he said, "it has quietened things down," he said. It had been necessary to act because of "disorderly market conditions."

Mr. Blumenthal declined comment on the Federal Reserve Board's action last Friday night increasing the discount rate to 6.5 per cent as another move to defend the American dollar.

Michael Blandan writes: The dollar weakened again in foreign exchange markets yesterday, requiring renewed central bank support to bring a slight recovery from its lowest levels against most currencies.

The pound showed a sharp gain on late demand, after being less strong than other leading currencies earlier in the day. Sterling closed with a rise of 2.25 cents on the day at \$1.9990.

The dollar's trade-weighted index against a basket of currencies rose from 65.7 to 65.8.

The dollar lost ground against the West German Deutschemark on the previous day, falling to 2.36 against the Swiss franc at Sw.Fr.1.9770 against Sw.Fr.2.0085.

The dollar's average depreciation as calculated by Morgan Guaranty widened to 4.83 per cent, from 4.47 per cent.

Borrowing by Government below forecast levels

BY MICHAEL BLANDAN

THE Government has continued to run comfortably below the forecast levels of its borrowing requirement, mainly as a result of the unexpectedly rapid growth of its tax income.

The figures of central Government revenue and expenditure published yesterday again indicate that the borrowing requirement of the public sector as a whole should be substantially under the £7.5bn. for the current financial year forecast in October.

They also suggest the impact of the tax rebates last month was less than had been generally expected in the City, and the Government's borrowing needs were not the main factor behind the further rise in the money supply indicated by this week's banking statistics.

These pointed to a level of money supply growth still at or above the target range of 8-13 per cent. for the financial year.

The rise last month appears to have been due to other factors, including possibly continuing effects of the autumn inflow of funds from abroad.

The Treasury figures showed that the central Government borrowing requirement in December was £785m., down from £1,070m. in November and from £875m. in December 1976.

Over the first nine months of the fiscal year, the borrowing requirement has totalled £3,888m. This is well down from the £5,376m. recorded in the same period last year, and is in sharp contrast with the 17 per cent increase forecast in the spring Budget last year.

The major reason for the shortfall in the borrowing requirement has been on the revenue side of the Government's accounts. Spending from the consolidated fund—through the tax revenues pass—has been pretty much on target.

In December, consolidated fund expenditure was 20 per

cent, up compared with the previous year, but over the first nine months as a whole, the rise was only some 11 per cent, an increase of £3,020m. to £31,700m. This compared with a 10 per cent. rise forecast in the Budget.

Consolidated fund revenue in December was £290m. more than a year earlier at £2,810m. The figure was affected by the October income tax rebates, the bulk of which took effect in December, but also by the second half of £291m., on the issue of BP stock.

Over the first nine months of the year, revenue showed an increase of £3,970m. over the previous year, or nearly 17 per cent. Part of this is accounted for by the inclusion of the total BP receipts of £500m., but even so, receipts have been running well above forecast.

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£75m. project for Milford Haven

BY RAY DAFTER AND ROBIN REEVES

TWO U.S.-BASED oil companies, Amoco and Murphy Oil, are to build new oil refinery units at Milford Haven, West Wales, at an estimated cost of about £75m.

Amoco's existing refinery is to be expanded with the installation of a 32,000 barrels-a-day catalytic cracker, a 50,000 barrels-a-day vacuum pipestill and a 3,000 barrels-a-day alkylating unit—facilities aimed at converting heavy fuel oil into a wide range of lighter products such as chemical feedstock and petrol.

As part of the deal Mureo Petroleum, the U.K. marketing subsidiary of Murphy Oil, is to acquire the right to process crude oil through the existing 108,000 barrels a day refinery.

Both Murphy and Amoco have a stake in North Sea oil production, and the new facilities would permit each company to use its crude oil most efficiently, they said.

However, there is growing

concern within the oil industry about the amount of refinery modernisation and expansion that is being sanctioned.

More than £100m. worth of work is proposed for the next few years. Much of this money will be spent on new cracker projects, such as the £100m. one at Milford Haven, and a £200m. complex, also at Milford Haven, a project which in the early discussion stage involved Amoco.

The industry expansion is going ahead in spite of the large amount of over-capacity that now exists in U.K. refineries. It is estimated that many refineries are being operated at between 60 and 70 per cent of capacity.

It is thought that the main problem could arise in the early 1980s when many of the new plants are due to be commissioned. Amoco and Mureo intend the construction work should begin early next year so that the new facilities can be on-stream in 1981.

Inflation slowdown checked

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

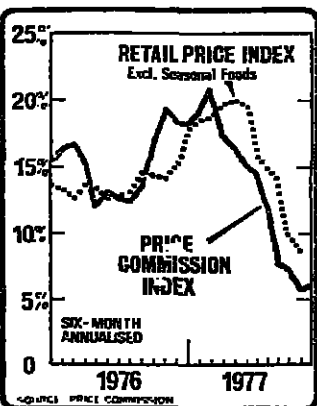
THE SLOW DOWN in the underlying rate of inflation stopped in December, according to the latest figures from the Price Commission.

After nine months in which the commission's index of price rises notified to it has been steadily falling, the rate of increase in the index showed a small rise last month.

The index—which usually provides a reliable advance indicator of trends in retail prices—rose by 2.9 per cent, in the six months to the end of December.

Expressed at an annual rate, these six-months figures mean that the rate of increase in the commission's index is now running at 6 per cent. In November the increase was down to 5.8 per cent.

The acceleration was due to a big increase in the number of companies wanting to raise their



prices in December and appears to have been partly seasonal. Between August and October the commission was receiving about 220 notifications a month, but the rate per month rose to nearer 400 in December as companies submitted proposals for raising their prices in the New Year.

The biggest fall in the rate of increase in the commission's index took place in August and September, just after the new price controls were introduced. The figures for November and December suggest a much flatter trend, which from now on could be affected by any bunching of increases, as happened this month.

The commission's index usually shows three to four months' advance warning of likely trends in the Retail Price Index. Despite this month's small increase in the Commission's figures, the annual rate of inflation in the shops still looks like reducing to single figures by the spring.

Alliance to fight S. African racialism

BY BERNARD SIMON

A MAJOR new dimension was given to South African politics today when Zulu, Indian and Coloured leaders agreed to formulate a common strategy against the Government's race policies. The alliance could become the Indian political grouping in the country.

The move came at a meeting in Ulundi, capital of the Kwa Zulu bantustan, attended by the Zulu leader Chief Buthelezi, also head of the Inkatha political and cultural movement, Mr. Sonny Leon, leader of the Coloured Labour Party, and Mr. Y. S. Chisany, who heads the Indian Reform Party. They agreed their movements were "representative of oppressed peoples and share common aims and objectives."

To give practical effect to the alliance, the three—well known for their strong opposition to

apartheid—also agreed to set up an interim co-ordinating committee to prepare the ground for a national convention, in which all South Africans could participate "to create a charter for a non-racial future."

The meeting, described by Mr. Leon as a turning point in South Africa's history, has set the stage for close political collaboration between the 5.4m. Zulus, 2.4m. Coloureds and 765,000 Indians.

But any attempt to establish a fully-fledged political party based on the new alliance is bound to fall foul of the Prohibition of Political Interference Act which, among other things, forbids parties from drawing members from more than one race group.

There are already signs that the government will strongly oppose any arrangement which

JOHANNESBURG, Jan. 11.

does not fit into its new constitutional proposals, under which three separate parliaments for Whites, Coloureds and Asians would contribute members to a multi-racial council, headed by an executive president, which would have responsibility for major policy areas. Africans, whose homelands are supposed to proceed to independence, would not form part of this arrangement.

Mr. Jimmy Kruger, Justice Minister, recently warned Chief Buthelezi that there would be "trouble" if the Chief broadened the base of his Inkatha movement to include non-Zulus. Since last October's Government crackdown, Inkatha is the only broad-based black political grouping in the country, controlling its own newspaper and reportedly having access to considerable sums of money.

Continued from Page 1

Steel

Mr. Russell Kerr, Labour MP for Hunslow, Feltham and Heston and chairman of the committee, said yesterday that price figures were a matter for British Steel and the Government.

The committee believes reduced costs must involve improved manning levels and the closure of several older works. Particularly those being kept in production for social reasons as a result of the review carried out by Lord Beswick when he was a Department of Industry minister.

The committee wants any staff reduction to be conducted over several years in a socially acceptable manner.

It expects the corporation to lose some £500m. in the current financial year, about £350m. in 1978-79, and perhaps £100m. in 1979-80.

The committee says of the major steelworks:

Llanwern, South Wales: Expansions are almost complete although Scunthorpe is still short of iron-making capacity.

Barnsley, Scotland: Expansion should be completed. Port Talbot, South Wales: There is a pressing need for new iron and steel making plant. But the committee does not accept that the works should have, as planned, a new medium-width strip mill.

The need for such a mill should be treated as a separate investment problem. Meanwhile, Port Talbot could be equipped relatively cheaply with new wide-strip mill using the foundations of the present mill.

Redcar, Teesside: The first stage of the development should be completed but the second stage, involving an investment of £1,600m. at 1975 prices, should be reconsidered.

The M.P. has no justification for such a big increase in steel-making capacity and suggests that a cheaper alternative might be to build a blast furnace at Scunthorpe to provide more iron there and that permit steel output to be raised.

The proposed steel plant mill on Teesside. This £200m. investment should go ahead only after a careful review of the market prospects for its output in the North Sea offshore industry, and the shipbuilding industry.

Weather

SUNNY intervals and wintry showers. Strong winds. London, Cent., N.W., S. England, Midlands, Lake Dist.

Mostly dry, sunny intervals. Max. 3C (37F).

S.E. E. England, E. Anglia, Channel Is. Cloudy, wintry showers. Max. 3C (37F).

S.W. England, Wales, Isle of Man. Sunny intervals, wintry showers. Max. 3-5C (37-41F).

Cent., N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands.

Cloudy, wintry showers. Max. 2C (36F).

Glasgow, Argyll, N. Ireland. Mostly dry, sunny intervals. Max. 2C (36F).

Moray Firth, N.E. Scotland, Orkney, Shetland. Snow showers, cloudy later. Max. 2C (36F).

N.W. Scotland: Becoming cloudy with sleet or snow. Max. 3C (37F).

OUTLOOK: Mostly dry in south, cloudy in North.

BUSINESS CENTRES

airo	S	20	81	Prazne	C	1	24
ardiff	C	1	37	Rekjavik	C	-9	18
hicazo	S	-15	13	Rio do J'no	C	29	54
hio	S	3	41	Rome	C	11	32
ppuhlin	R	3	37	Sinapore	R	24	76
uhlin	S	2	37	Stockholm	I	1	34
indburch	C	1	24	Stockholm	S	-4	41
Frankfurt	C	4	32	Sydney	C	20	88
Warsaw	R	4	29	Tehran	C	3	42
askow	N	1	34	Tai Aviv	C	12	34
elstnik	F	0	32	Tokyo	S	8	47
ona	S	16	62	Toronto	C	-8	18
onbuz	R	20	65	Vienna	C	-1	27
uslon	R	14	37	Warsaw	F	0	32
onjon	S	3	37	Zurich	C	0	32

HOLIDAY RESORTS

Madrid	R	10	59	Torrey	R	5	41
Manila	S	12	47	Las Pintas	S	20	88
Maracaibo	S	12	47	San Francisco	S	19	87
Medan	R	4	29	Marjorca	S	14	77
Medan	R	6	45	Mazatlan	S	17	62
Medan	R	5	41	Malta	S	16	81
Medan	S	17	62	Nairobi	S	21	74
Medan	S	27	75	Naples	S	10	50
Medan	S	17	62	Nassau	S	18	68
Medan	S	7	43	Niuea	S	13	29
Medan	S	17	62	Rhodes	S	12	54
Medan	S	14	84	Salzburg	S	7	45
Medan	S	14	84	Tamper	S	16	61
Medan	S	14	84	Verde	S	17	61
Medan	S	3	27	Tunis	S	17	50
Medan	S	7	45	Venice	S	14	57
Medan	S	7	45	Valencia	R	1	74

Sunny	F	Fair	C	Cloudy	R	Rain
HI-Hail	SI-Sleet	SN-Snow				

THE LEX COLUMN

Shareholders and company law

The Stock Exchange has decided to come out in more or less direct opposition to many of the more important proposals in the Department of Trade's Green Paper on company reports. In particular, it is reaffirming its belief that company law should concentrate on the responsibilities of companies to shareholders and creditors. If other responsibilities are to be legislated for, and the position of employees is obviously the key matter for consideration here—this should be done outside the framework of company law.

There is a lot to be said for the Stock Exchange being concerned with shareholders' rights in this way. And its submission to the Department rightly sweeps aside some of the more nebulous proposals for social accounting and information on peripheral matters, like a company's contribution to the balance of payments. But to be fair the Government appeared to be putting forward such suggestions for the sake of full discussion rather than out of any obvious enthusiasm.

The disadvantage, however, of the uncompromising approach is that it runs the risk of encouraging the introduction of backdoor measures. If the rights of employees are to be more directly recognised in law then it might actually be safer for shareholders if this were to be done through company law than otherwise. The Stock Exchange's submission makes the point, for instance, that Trade Unions can gain a great deal of information from the normal collective bargaining process.

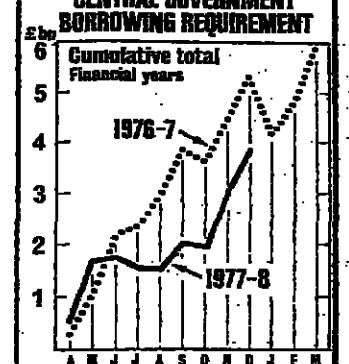
It is not unusual for employees, whether through house journals or employee reports, to be given significantly more information than goes to shareholders. Given that one of the Stock Exchange's cardinal principles is that information should be equally available to all, the implications of excluding employee relationships from company law could be unfortunate.

In any case, the Stock Exchange cannot ignore the slow but inexorable progress of EEC company law harmonisation. The fourth directive, for instance, which is due for approval within the next few months, contains a number of disclosure provisions primarily geared to employee interests.

More importantly, the draft Bank International and Stan-

Index rose 2.7 to 487.2

CENTRAL GOVERNMENT BORROWING REQUIREMENT



far more concerned with employee, Government and consumer needs than with those of creditors and shareholders.

In several detailed respects, too, the Stock Exchange's comments are disappointing. It is less enthusiastic about disclosure of pension liabilities than might have been expected from a body which until now has been actively seeking greater disclosure by companies.

And there is no direct comment on recent proposals for multi-tier reporting standards while the Stock Exchange has not put forward any view on the merits of simplified accounts. This could, after all, be one way of bringing shareholders and employees within the same framework of disclosure.

International banking

Against a background of low U.K. interest rates and sluggish lending the outlook for the clearing banks' domestic banking profits is far from encouraging. However, their international banking activities are growing fast, and are now providing a very useful cushion against the vagaries of the U.K. interest rate cycle. Indeed, there is a strong possibility that in the current year two banks—Barclays and Lloyds—could for the first time earn more money from their international operations than from their domestic activities.

Yesterday's 34 per cent rise in Lloyds Bank International's December rebates, revealed to pre-tax profits of £43.1m., underlines the buoyancy of this side of the business and follows good profit figures from Barclays emerge at around £8.5bn. for the financial year.

ward Chartered Bank last month. Unlike BBI, LBI does not push exchange rate adjustments through reserves—it takes them above the line. Last year this meant that profits were inflated by £6.7m. while this year profits were deflated by £7.1m. So instead of rising by a third profits are nearly doubled.

Nevertheless the LBI figures underline the fact that like Barclays and Standard Chartered it is still very dependent on its traditional areas of overseas business. Virtually all the growth in profits comes from Latin America (the old BOLSA territory) which now accounts for 55 per cent of profits. In particular it has benefited greatly from a big improvement in its Brazilian and Argentinian business, which together accounts for over two-thirds of Latin American profits.

By contrast, LBI, in common with BBI and Standard, does not appear to be making much headway in the highly competitive Eurocurrency and North American markets. These are the two areas where all three groups will have to look for their growth in the future.

CGBR

Any suggestions that the jump in the December figures for banks' eligible liabilities could be explained by a surprisingly large rise in the central Government borrowing requirement hardly stand up after yesterday's news of a CGBR of £785m. That is right in line with expectations, which had taken into account the income tax rebates and pensioners' Christmas payments. The reasons for the trend in the banking figures could therefore be that money market transactions distorted the figures, or simply that the lending of the whole banking sector has again been climbing.

Meanwhile the Consensus Fund figures show a growth of expenditure of what accelerated a little, its trial per cent for the first time so far has caught up with the growth rate forecast was Budget. But desk risk

But desk risk remains to be seen. The trial per cent for the first